Burke, Margaret Sullivan

Story of Hercules

'HE STORY OF HERCULES,

OR THE

'RUTH ABOUT THE FINANCIAL LEGISLATION

OF THE REPUBLICAN PARTY.

BY MARGARET SULLIVAN BURKE.

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DEDICATION.

It may be well to dedicate to the dead, a wor which is as replete with dead issues and misstate ments as one that has been published under th auspices of the Populist Party, that is doing no en of mischief by its misleading fabrications. But a for me, proud in the consciousness that I am dealin with the living issues of the day, and that I have mis represented nothing, and nothing extenuated, an that the Archives of my Country will prove it, desire to dedicate this little work to the very lives thing I know, the Republican Party.

PREFACE.

I do not believe much in prefaces, because they are usually in the nature of an apology; and I have no excuse to offer for writing this little pamphlet. I will only say, therefore, that to the very best of my ability I have built every statement therein upon the sure foundation of public records, which are free for all to examine. I have not taken one single fact from hearsay, but, with the Financial Laws before me, and the reports of their operation all these years to show the effect of their enforcement, at my side, I have seen for myself the truth, and I have given it without bias.

M. S. B

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CHAPTER I.

·TRODUCING OUR MODERN HERCULES, THE REPUBLICAN PARTY.

Of all the heroes of ancient times, Hercules bears ıe palm as the working hero, and his twelve wonerful labors have been rehearsed in song and story ll most of the world is familiar therewith.

The affairs of a great nation, when rightly conucted, are labors worthy, not only of a hero like [ercules, but of the whole Olympian fraternity of ods put together, and with all his strength and 'isdom, the labors of the aforesaid heathen deity eem puny indeed when compared with the work f our modern Hercules, the Republican party.

But, alas! As it was a woman who attemped the estruction of this ancient hero, so, history repeatıg itself, a woman has been found, even in this ıore enlightened day, to send her serpants of sophstry and detraction to sting to death, if possible, ıe giant power that saved our country from the angers of the past, and set it upon a sure foundaon. But, thanks to the bright spirit of truth, he 'ill still be able to crush them.

Dropping metaphor, I desire to call the attention f Republicans everywhere to the cunningly deised sophisms of a new party lately sprung up rom nothing, like a mushroom in the night. They ave issued numerous pamphlets, in which they lindly attack the grand work of the master minds f the time, simply because their own ignorance is o dense that they can not understand the same.

Their chief work on this subject being written by a woman deserves attention, because had a man been the author, one need not look far for the true inwardness of the whole matter, for, since the time when Adam tried to deceive his Maker, men will labor to prove that black is white when they have an end to serve, not in the least deterred either by the hopelessness of the task. But the fact that a woman is the author of the screed proves that some may honestly see with the obliquity of vision that would make black seem white from a negative stand-point, for women are honest if not always wise.

This party, which is made up, principally, of people all unlearned in matters of the kind, have presumed to criticise the great financial acts of our modern Hercules, the Republican Party, that saved our country from the Stymphalides—a monster of slavery, treason, rebellion, and war, feeding on human flesh—and placed it on the basis of solid growth and prosperity.

The very first statement in this book of their faith is so glaringly untrue that one can but wonder where this female Rip Van Winkle has been sleeping all this while, to know no better. It is the tale of a supposed "infamous plot" that resulted in our civil war, making the charge that there was nothing in the condition of the masses of our people that denoted prosperty, but rather a tendency to poverty and demoralization.

Remember this was written four or five years ago, at the time of our highest prosperty, when under the benign influence of a protective tariff party, new industries were springing up all over the land ; and is especially adapted to the work of

roselyting ignorant voters, because it appeals to heir sensibilities, rather than their sense.

Now turn the glass of time backward forty years nd behold! How was it then with the middle lasses? The children were taught "the three R's," t is true, and most of them learned to work; but here were the schools and colleges of to-day? Where the culture of the boys, and accomplishments f the girls? A lass who could drum on the piano hen was thought a wonder, and to think of owning he instrument was the wildest extravagance; whole owns could only boast of one or two each. Calico vas the regulation fabric for the girl's gown, and er beau matched it in jeans. The parlor—it was nly "the front room" then—was carpeted with a vondrous construction of strips of rag and coarse wine, and the rest of the furnishing was made to orrespond. The men labored, on an average, for alf a dollar per day, and the women did their own work. Nobody starved, it is true, because everybody worked and did not care to keep up the styles, nd in this respect the conditions have not permanently changed, although, the control of the government having since gone into the hands of those who are unfriendly to a protective tariff, many of hose industries mentioned above have suspended because they could not go on manufacturing in the lark wares that might be subject to competition with the product of the under-paid labor of Europe, without cutting wages down to a figure that would fford no *American* household subsistence.

People who are willing to work in America seldom starve, and, on the other hand, almost invarably live well; and yet it is true that we find discontent and dissatisfaction on all sides, and the

very fullness of our prosperity is responsible for that, in a measure; for the more people have the more they want, and with natural indolence and the bad advice of communistic theorists, there are sure to be some always who will go to the wall, while their frugal, industrious, managing neighbors heap up the riches that they envy This abundance is not denied to those who produce it, but to the tramps who idle on the highways, while those producers seek in vain for efficient laborers to help them.

Infinite variety is the bright background of humanity, and while the old world jogs along there will be a difference in men; some will make a good living while others would starve to death, without help; but how can the country that offers its opportunities freely to all be held responsible for that?

What is the reason that half the world is overworked, while the other half is idle? Let me tell you the secret; it is because everybody is after the efficient worker, and he therefore has more than he can do, while nobody wants the "botch," and he goes unemployed, and cries against the injustice of his thorough neighbor, who enjoys the fruits of intelligent labor. The unequal distribution of the products of labor is usually in exact ratio with the unequal exertions of the parties concerned, aided largely, of course, by the inequality of their intelligence.

If millionaires are not indigenous to American soil, as these people facetiously proclaim, neither are factories, railroads, nor any other of the myriad of business enterprises that have brought wealth to some; while the other some, who have not erected

he factories, railroads, etc., are not millionaires. 'The laborer is worthy of his hire," and if a man arns money by his labor, or business enterprise, I lo not see why he should not possess it.

And right here let me drive a peg upon which his third party may hang mistake number one The civil war was the outcome of a disregard to his very principle by a portion of our country. The laborer in the "good old ante-bellum days" id not receive his hire, for the man who smoked is pipe in idleness on the broad southern veranda oled out to him a pittance only of it, his slice of acon and bucket of meal each day, although the ranaries he had filled were indeed bursting with he fruits of the poor slave's labor. That slave to-ay is respectably clothed, and lives in a comfort-ble home, whenever he has the good sense to work alf as hard for himself as he once was driven to o for his master; and all this he owes to the Re-ublican party. Colored Democrats remember hat.

With a country filled by such possibilities as ours, would be strange, indeed, if there were no mil-ionaires; and we will have idle vagabonds to create iots just as long as we have the Populist Party to reach anarchy on the floor of the Senate, as well s in campaign documents. But even if visionaries f that stamp could bring about this equitable (?) di-ision of our moneys, how much would each person ave, do you suppose? Well, I will tell you. The noney in circulation at present, equally divided, would give each man, woman, and child $24.19, and ll the money in the Treasury added would only raise to $35.05. Not much of a fund upon which to go nto business, is it? But even could we hit on some

plan by which we could establish a sort of rotation in office, loaning each man in turn, as capital to start in business all the funds of the country for a reasonable time, with the privilege of retaining all the profits, the conditions would be exactly the same as they are now inside of fifty years, and some men would not be able to pay back the loan; and this state of things will exist just as long as variety is the foundation of nature, and some men are intelligent, managing, and industrious, while others are ignorant, shiftless and lazy; and the great law of "the survival of the fittest" will so adjust the balance that the world will still maintain its equilibrium in spite of the cranks. And where is there another nation in which the chances are even as equally divided, with all our inequalities, as they are in our country after all?

The Republicans had come into power, an infant party, to find already laid upon their shoulders the burden of a large debt, the mongrel offspring of an illicit union of the Democratic party of America, and the English Cobden Club.

Polk had been victorious under a tariff banner, leading the people, who really desired protection, with the delusive cry of "Polk, Dallas and the Tariff of '42," but as soon as he was installed in office, with a Democratic Senate and House at his back, the tariff of '42 was repealed, the professed protection champion, George M. Dallas, furnishing the casting vote on the question of its engrossment, in the equally divided Senate; and this law was maintained until 1861.

Of course there soon was not enough revenue, for not only did foreign supplies come in without contributing anything to keep up the expenses of the

market where they sold their goods, but our own factories and workshops, that might have yielded both property and income tax were closed down, and they had neither property nor income to tax; so Buchanan was obliged to ask a loan to pay the *current expenses* of his outgoing administration.

The Secretary of the Treasury, Howell Cobb, in his report on the finances, dated December 22, 1859, had estimated that there would be a balance in the Treasury, June 30, 1861, of only $3,530,196·61, which left no margin for additional appropriations. The public debt amounted to nearly $60,000,000. The Secretary, in a spasm of patriotism, expressed himself to the effect that the idea of increasing the public debt to meet the ordinary expenses of the Government should not be entertained for a moment, and suggested the tariff as the way out of the difficulty. But Democracy was joined to its idols, and could not bow down to this new god, even under such desperate circumstances; and inasmuch as they had been steadily increasing that debt during the whole of the administration, till the sum total amouted to an increase of $47,404,426.70, they could not be expected to be very squeamish—and this, too, in a time of peace under a tariff that actually discriminated against our own people, as under its workings we paid $100,000,000 abroad for every $15,000,000 of revenue collected at home.

No wonder, then, that the President failed to borrow, under the act approved June 22, 1860, as shown by the records of the Treasury, the very moderate sum of $21,000,000 on the credit of the United States at an interest not to exceed six per cent., and only succeeded in raising the pitiful sum of $7,022,000, at five per cent.

In desperation Secretary Cobb, in his report, Dec 4, 1860, cried aloud after this fashion: "The condition of the Treasury is such that no serious delay can be indulged." He thereupon recommended that authority be given for issuing Treasury notes to be negotiated at such rates as would command the confidence of the country, adding: "To create that confidence I recommend that *the public lands be unconditionally pledged for the ultimate redemption of all the Treasury notes which it may become necessary to issue.*" A mortgage on the country, you understand; although this did not actually occur; notwithstanding that, on this recommendation of the Secretary of the Treasury it was attempted in the House, and only prevented because it would have interfered with the homestead bill then under discussion. And like Banquo's ghost we have this very same old idea now haunting the members of the Populist Party. They would issue unlimited greenbacks, but they would peril the American homestead thereby.

The loan was finally negotiated without this new departure, but only by paying the biggest interest rate ever allowed before or since. Under the act of December 17, 1860, $10,010,900 was issued at interest ranging from 6 to 12 per cent. It was under this act that 15 to 36 per cent was asked, and no wonder, when such a state of affairs existed.

But the credit of the Government was so low at this time that the secretary, then John A. Dix, suggested in a letter to the Ways and Means Committee, dated Jan. 18, 1861, that the several States be asked to pledge the deposits received by them from the Government under the act for the distribution of the surplus revenues in 1836; for there was an actual

deficit in the revenues of $21,677,524, with a deficiency, also, of $24 000,000 asked for, and these were sold at a discount of nearly 11 per cent., in a time of peace, too, to get cash to pay the debts of the outgoing administration, for which a free trade policy provided insufficient revenue, instead of the premium our bonds command now, and have commanded ever since the Republican Party came into power; for at the extra session of Congress called July 4, 1861, only six months after, with eleven States in rebellion, the Republican Administration found it easy to obtain almost $400,000,000, because the monied people of the North saw the necessity of contributing their means to save the Nation; no particular patriotism in that, for self-preservation is the first law of nature.

Of this sum $189,321,350, at six per cent., sold at par; $60,030,000 old demand notes, with no interest, at par also, and $139,999,950, at 7 3-10 per cent. interest—*the highest ever paid by a Republican Administration*—actually sold at a premium of 465 one-thousandths of one per cent., with war really begun.

What an awful "Shylock" was that, for this is the way the American banker "took advantage," with the war threatening to wipe the whole of it away; and the above is the pretty name these viliers give to the people who loaned money to the Government to help in this emergency. But history will vindicate the character of the men who risked their means on the chances of war, and thus helped to save the country. They turned a river of gold into the Augean stable where wrong doing and false principles had herded, and swept away all its foul pollutions.

It is not usury, but business all the world over to receive for one's loans a rate of interest com mensurate with a risk of losing the whole. An what security had our Government to offer in thos days, with 10,244,114 of her people in open rebellion and 2, 145,348 of the money producers, among th loyal ones, taken from their shops, offices, facto ries, and other wealth-produeing oeeupations to de fend her against these fratricidal children, but possibly bankrupt future?

I am making no defenee of Wall Street, for may be that somewhere in the pages of histor there is recorded a case of such sublime patriotism as a man, or a set of them, who deliberately impov erished themselves for the sake of their country but I eonfess that I have not been able to find i and I am inelined to think it nothing but huma after all, to follow that first law of nature. I c not know exactly how large the beam in my ow eye would have been under those eireumstance and so I will just let my brother's little mo alone.

While Republieans managed our finances the was never a dollar sold at a discount, either in tin of peace or war, a pretty good indieation of t confidenee in their integrity aeeorded, not only l our own people, but by the world at large; an i tegrity that would not stoop to rob those wl trusted it; and yet they came into power on the e of war, with a bankrupt treasury and a mortgag eountry, the mongrel progeny of Democracy an Free-trade, before mentioned, that was left for t new party to dispose of, bind out, or send to t reform school; a result brought about by an ol experienced party, and left on the eve of war

encumber this new and untried power. But they met every obligation like men, and with the former four years of the Cleveland Administration—that at least did them no good—counted out, they brought us up to March 4, 1893, when, with an aggregate of $764,322,266.78 cash in the Treasury, of which $217,672,947.91 was gold coin and bullion, they had our debt so arranged, with a minimum interest, too, that it could be easily paid by the foreign revenues of the country as it fell due; and without repudiating the claims of our own people for pensions, improvements, etc., if the marplots would have let our revenues alone. This was, however, almost too much to expect, with the Government turned over "soul, body, and breeches," by the foolishness of the people, to its enemies ; and where the bullet failed to ruin the country, the ballot *may* be more effectual. They wanted a "change," and it begins to look like they had gotten it with a vengeance. But I want to enter my protest here, and now, (July 28, 1894), against the cowardly attempt that is being made to shift the blame from the shoulders to which it legitimately belongs, to those whose wise legislation in the past has lifted them above such a charge.

Abraham Lincoln was inaugurated March 4, 1861. Both Houses were Republican. This was, however, not such a rose-colored state of affairs for that party, as it would be under ordinary circumstances, for their almost two-thirds majority in Senate and House was largely brought about by the secession of the eleven Southern States, before referred to, which of course cut the Democratic representation down, for although all Democrats were not rebels, all rebels were Democrats during the Civil War.

With their ranks thus depleted and the war upo them, they actually held their first session in a mil itary camp, when an extra session was called Jul 4—Independence Day, take notice—1861.

The day before that session adjourned Abrahan Lincoln wrote that now illustrious name at the bot tom of a new protective tariff measure, one of th first great acts of an administration full of event ful situations.

CHAPTER II.

HIS FIRST WORK—THE EXCEPTION CLAUSE.

When Congress convened in regular session, Dec. 9, 1861, it was found how far short even the wildest estimate had been of the necessities of war, and it was then that the legal-tender greenback was introduced. It was absolutely necessary to have money that would be good for all debts, public and private, but it was a dangerous proceeding to make this paper, with no intrinsic value of its own, good for debts that might come due after the money had become valueless. The Continental Currency, for instance, had been a partial legal tender by enactment of all the States except Rhode Island; and George Washington was obliged to receive it at par in payment of debts, when its value had depreciated to next to nothing.

Our legislators took the risk, however, and issued $450,000,000 of them, fifty millions to be in lieu of the old demand notes, so called because they were payable on demand (payable in coin by the way), which have been paraded so by our Populist friends, because, as they say, they were on a level with gold, and "the millionaire took his hat off to them, while the banker made obeisance." The millionaire of our own land may have had a great deal of respect for them, it is true, but the millionaires of Europe were not built on that plan. They had seen too many governments rise and fall to have an overwhelming amount of faith in a new country like ours, thus divided against

itself, "promising to pay" with nothing behind the promise but a country at war among themselves. How could they know what the result of that war would be? They inclined to believe that the Government would be overthrown, in fact, and how much would this paper money be worth then, that was made legal tender for all debts public and private? So Europe looked askance at our greenbacks. They did not want to accept money on such uncertainties. Gold alone would bolster our credit there. It is true these notes paid the soldier, furnished his equipments, and gave a new impetus to commerce also, and to people of shallow understanding it would seem that the government might have gone on issuing them ad libitum, but—and there always is a "but" to folly—our importations had to be paid in coin values, and unless the duties on the same were demanded in coin, also our greenbacks would soon have been at the disadvantage of an unjust discrimination which would have lessened their purchasing power constantly, and thus diminished the duties also; and with every issue of these notes they would have decreased in value, and the rate of interest would have increased, till our paper would have been about as valuable as the old Continental Currency, or the Confederate shinplaster, viz: two cents per pound as paper rags. And as our Government had always made it the custom to pay the interest on our bonds in coin, because never before, in the history of the country, had anything else been legal tender, they had never thought of any other medium; and during the time that this was the case, the government had shouldered certain obligations, which the party of the other part entered into, with the understanding

that, of course, they would be paid in coin, because there was no other legal tender. Congress had no right, therfore, to pass a bill making paper legal tender *without* this very exception clause; but to make it understood that this custom would be continued, notwithstanding the war, it was thought best to put a clause in the act of Feb. 25, 1862, making that declaration, and, at the same time, an exception was made of import duties also. This terrible Exception Clause—Populist Conspiracy number one—the great mountain made out of a mole-hill because those learned in money matters were consulted,—saved our public credit, by making our bonds marketable abroad, and compelling the foreigner to pay the fiddler too, by requiring him to pay duty on his imports in coin, which thus provided the means of paying the interest of our bonds in coin, thus satisfying his demands out of his own pocket, giving Diomedes over to his own fire-breathing mares, to which he had erstwhile fed the flesh of his guests.

In this case honesty was not only the best policy, but it was the only policy; for, if the interest had not been paid in coin, we could have borrowed no money; and if the duties had not been paid in coin, we would have had no coin to pay the interest with.

Was it a crime that our native creditors were put on a level with the foreigner? Would they have us supply a different kind of sauce each, for goose and gander? If there was any advantage gained by the Wall street broker, *et al.*, there certainly was no way to prevent it. The country was in vital need of money, and, therefore, at the mercy of those who had money to lend; but it is no use for those who are vociferating against the government to in-

flate the facts. The almost fabulous price of gold on the morning of July 1, 1864, is attributed by them entirely to the fact that gold was thus made the medium for the payment of duties and interest on our bonds.

For *one single day* only, gold was at a premium of $1.85 per cent., and yet these buzzards are constantly representing that sum as quite the general thing. They do not take the pains to tell you that the premium on gold dropped 35 cents on that very day, which was brought about by an act passed by those "dreadful men who were conniving at robbery," passed by an overwhelming majority, too.

If it was true that the Exception Clause was responsible for this sudden rise in gold, how are we to account for the fact that it was higher for two months before that act was passed than it was for two months after? This is true, however, as shown by the records of the Treasury. And these records, taken in conjunction with the history of the war at that period, show more; they show that all the time gold fluctuated, now high, and then low, with the tide of every battle. With every defeat of the Union army gold went up, with every success it went down; and this was too often repeated, altogether, to be a mere coincidence.

For instance, the victory of Grant at Fort Donelson occurred the very month in which the greenback act was passed, and gold went down to 101.5, instead of up, as these populists claim. But in the month of July following, McClellan was defeated after seven days' battle before Richmond, and gold sprang up to 115.5. In December General Burnside was defeated at Fredericksburg, and gold rose tol 32.3. But in July of'63 came Meade's victory at

Gettysburg, and Grant's capture of Vicksburg, and down went gold to 125.8. Then came "Old Rosey's" defeat at Chickamauga, and the siege of his army at Chattanooga, and gold went up with a bound, till it sold in the following month at 147.7. In May of 1864, Grant in Virginia, and Sherman in Georgia, were fighting desperately, but making slow progress, and gold still went up. Grant, after a series of dreadful battles, in which he suffered terrible losses, had been brought up with a round turn before Petersburg: and there, owing to the daily withdrawal of regiments, which had served their three years, he seemed likely to be kept for an indefinite period. Sherman was making slow progress toward Atlanta, and Early had commenced the movement which brought him within four miles of the capital; foreign intervention seemed more imminent than ever before, and the outlook was dark indeed, in the month of July, 1864, and gold floated on the billows of our disaster up to an average of 258.1. But in September, Sheridan's great victory came to revive our hopes, and gold fell 32 cents from the month previous; and after the closing scenes of the rebellion at Appomattox in March and April, gold took a series of plunges downward and though it still fluctuated, as public confidence was great or little in the Congressional battles to which our interests had been transferred, it never rose so high again.

The unsophisticated reader is left in the dark also about another experiment of our legislators, who were trying every means, in their efforts to do all they could to better our condition, an experiment that lasted fifteen days, and therefore not long enough for all the people to starve to death.

In the beginning of 1864 the war had come to a cr sis where the result was so doubtful that nothin else was certain either. Specie payments had bee suspended since 1861, and the credit of the Gover ment, represented by the premium on gold whe purchased for legal tenders, fluctuated, as I hav shown at the result of every battle or even ski mish of the two armies. The average price of gold dollar in greenbacks in January was $1.5 which advanced in April to $1.72. Secretary Chas believed this to be caused by a conspiracy to de press our credit, and brought the matter before th Finance Committee in a letter asking the enactme of a law prohibiting speculation in gold, or in othe words, the sale of gold by parties who had none t sell. He admitted that there was a doubt wheth the bill would accomplish the desired relief. Th bill passed on the 17th of June, but the price of gol went up steadily, and the excitement became s great that all business operations were thrown int confusion. The result of the war hung tremblin in the balance, and it took very little to turn th scale. Congress was snowed under by petitions fo the repeal of the law, and Congress was not slow t obey. July 1, gold opened at $2.85, but that da was the last. The repealing act was passed by th Senate almost unanimously, and an hour later ha been rushed through the House and signed by th President. That day gold dropped 35 cents and con tinued downward.

The men of Wall street, in common with other who had gold to sell on that day, doubtless re ceived the market price for it; and if this consti tutes a Shylock, I will myself be compelled to cr *peccavi!* for on the very day that gold reached it

maximum, I remember that my girlish hoard of four shining dollars brought me just $11.40 in purchasing shoes, gown and back-comb, those things so dear to the feminine heart. I wonder if any saintly female Populist would have given the whole for a four dollar pair of shoes and gone without the new gown and back-comb, because the soldier, who had nothing but greenbacks, could get but one hundred cents for his dollar? And how much did it help him, do you suppose, that an old lady of my acquaintance, who had a big bag of gold at the same time, refused to do as I did, and held on to it till, like fairy gold, it had almost two-thirds of it melted away?

In an appendix to the book referred to before, which is written by one of the author's "indomitable colleagues"—they are all indomitable in that book, by the way—which appendix, by a sort of mutual admiration arrangement, is printed in the twelfth edition thereof, the statement is made that with $50,000 in gold a banker could buy a $100,000 bond, which is a transaction on exactly the same principle; because at that time the stress of circumstances had made the basis of our values unnatural. The farmer received $2.50 per bushel for his wheat also; but when the time came for the bond to be redeemed his $50,000 in gold would only have bought a $50,000 bond, for the war was over, and resumption had squared the values.

I knew a woman, a poor lodging-house keeper in this city a few years ago, who saved a little money. She heard that a valuable piece of real estate was about to be sold at auction. She attended the sale; the money market was close, the weather bad that day, and so there were not many bidders. She was

lucky enough to bid it in at a low price, the fir payment just her "pile," and before the next pay ment was due she sold the property at four time what she paid for it, paid the balance due, an pocketed a small fortune as her profits. It was stress of circumstances that worked in her favo and not any sudden change in the real value of th property that gave her this advantage.

From the Wall street banker to the huckster in ou market places, from whom the Populist purchase his vegetables at the very lowest possible price fo which he can get them, every one of them gets th highest market price for his wares, when he car That is nothing but trade, and where does Shylocl come in?

CHAPTER III.

LABOR SECOND—THE NATIONAL BANKING ACT.

The national banking act is what they call "conspiracy number two," and like all the rest of the signs and wonders of the Populist Party, it is easily disposed of.

Years ago, when "Shylock" was a very humble individual, upon whose gabardine this third party could expectorate to its heart's content, the American people looked to the State bank for their convenience in the shape of paper money. These State banks were founded according to the varied ideas of the individuals concerned, issuing their "promises to pay" with only one-third of their circulation secured by funds, lands, mortgages, or property of any kind. This was the Hydra, with more than a hundred heads, that Hercules slew.

A man could start a bank on the buying value of land, that had depreciated on his hands till he could not sell it for twenty per cent. of what he paid for it. Their notes were payable in current funds, and often limited in time, two very cunning traps for the unwary. The current funds were mostly old and mutilated bills, fractional currency, and the like, with now and then a respectable note. These were paid out after the manner of the world at large—where the "kicker" generally gets it—the old worn out notes to the poor man, who was glad to get anything for his hard day's work, and the new, crisp notes to the "kicker" aforesaid, who was generally a rich business man; or were

personally appropriated as long as possible. When the limit of time ran out, woe unto him in whose pockets these notes were found; and it was not in the rich man's pockets usually, for it is only the poor who make a bank of their pocket-books, and the rich man, who can aggregate his money, looks too closely after it to let it die on his hands. A man dare not sleep over night with any considerable number of these notes in his pockets, not because he feared thieves, but because he might find them so depreciated by next morning that much of their value would have stolen away.

Then, too, this money was very little of it at par, and the discount varied, not only in the different States, but the same money was more or less valuable, according to the distance it traveled from home. For instance, Indiana notes, that were tolerably good at home, were so clipped by the time they reached New York that even the banker himself, if he were a merchant also, as was often the case, would never think of taking his own notes East when he went to buy goods. All this made the banker's work no sinecure, and he, like everybody else in this selfish world, must be paid for his labor, besides it took money to transport these notes from one point to another when they had traveled so far away from home as to be next to worthless: and the money, to do all this, was secured in the shape of farther discount, which came out of the poor man's pocket every time—the man who spent the money for bread.

Something must be done; and Congress set out to do it. They did not go to work and issue unlimited fiat-money, according to the wild theories of visionaries, but they determined to devise a

plan that would forever put an end to the wild-cat banking, that had previously been stimulated by such unsecured circulation. Men actually issued their private "promises to pay" on their farm stock, and the cow, horse, or hog, whichever it happened to be, was set forth by a description giving all its best points, and carefully abstaining from mentioning defects. This plan, by the way, is of the same kind that is now part of the Populist idea, I believe.

On February 25, 1863, the Government established by Act of Congress a uniform National bank system, the very best in all the world, amended by an Act of June 3, 1864, by which in all these years, no note holder has lost a dollar, because every cent in circulation, and 11 1-9 per cent. over, is secured by actual deposit of bonds so that it not only has the good faith of our Government behind it, but is secured by at least forty per cent. more than its actual *bona fide* circulation, because its notes are never all out at once. No robbery in that.

Now as to certain wild statements about the bond-holding banker's double interest, let us see. It is true that he receives interest on his bond, and that he gets interest from those who borrow the bank-notes that represent nine-tenths of that bond. This looks very much like being paid twice, if you look the way the Greenbacker points. But I warn you that you will acquire obliquity of vision if you take such a one-sided view of things, and I propose to show you the other side.

A man always has a right to his own, and the man who buys bonds with his money, instead of lending it in some other way, may "pay his money and take his choice." In either case the increase

is his earnings. If he wishes to go into banking, he must associate with himself at least four others, and the five must act as directors. They must have a capital of at least $100,000, though they may bank on half that sum in towns not exceeding six thousand inhabitants, by the approval of the Secretary of the Treasury. They draw this sum from former investments, thus foregoing the legal interest they had been receiving for it, which in many of the States is drawing ten per cent., and is in only one State less than six. With this sum they buy their bonds—we will take the highest in existence under Republican rule, drawing four per cent.—receiving upon it $4,000 interest, which can be paid in advance, of not more than one year, at the discretion of the Secretary, but seldom is so paid. (The authority for this will be found in section 3699 of the Revised Statutes of the United States, and was meant, as every one knows, for the convenience of the people during the movement of the crops, etc. The Secretary could demand a rebate in return for this accommodation, too, if he chose.) They received, also, bank notes to use in circulation for nine-tenths of the value of their bond. This gives them four per cent. interest annually, for the whole sum of $100,000, and the opportunity to earn additional interest on $90,000. So far, so good; it is all plain sailing with the gentlemen bankers. But—they must pay on the spot a premium of at least $16,000; I believe it is higher now; and four per cent. for printing their bank note paper, $3,600 more; they must deposit $4,050, 4½ per cent., as a redemption fund to be employed in restoring the notes mutilated by use, thus to secure the user from loss. These sums take up at

once the $4,000 interest and $19,650 besides, that must all be withdrawn from their former operations. Then they have annual expenses to pay. First the yearly examination into the condition of their bank, made by the Government, costs them $100, and publishing their quarterly statements of said condition about as much more; and added to all this they must pay an annual tax of one per cent. on their circulation, deposits, etc.

Thus they must pay down at least $123,650 in order to get their $90,000 in bank notes, and after that their one per cent. interest, and the other expenses, which are about a quarter of a cent per cent. more, making an annual outlay of $1,125 to say nothing of rent, heat, clerk hire, mail service, monthly statement printed in the newspapers, etc., which will consume each year the interest as fast as it comes due. And after all, the Government does not give them the bank notes, for even after they have paid for printing them, out of their own pockets, they are nothing but blanks, worth no more than ordinary blank bank checks, till is added the signature of president and cashier, which gives them their only value, which is much or little as they—" the bloated bondholders"—are worth much or little. The Government gives no value whatever to these notes; it merely secures the creditor of the bank against loss by holding the bankers' bond to be used in making good every note issued against it.

I knew a case where a wealthy man wrote his autograph in a woman's album in the shape of a bank check. The woman's son collected the sum mentioned in the improvised check, and the courts on a trial decided in favor of the young man. It

was the money represented by the signature, not the paper torn from the album, that made it current at the bank.

So you see our bankers have at once swallowed up their whole interest and $16,500 more, beside leaving one-tenth of their money in limbo, drawing but 4 per cent. interest. Now if they should lend all the balance at the rate which is fixed by law to correspond with the legal interest of the State where the bank is situated, they would be getting no more than their former interest. But a banker never depletes his bank by lending out all his notes at once, so some must always be idle.

Thus you see this "villainous robber" has gained nothing after all; in fact has lost by his change of base from a simple business man to a "bloated bond-holder," only that he has a wider field in which to operate, and that was what he was after in the first place, for money, dependent on outside investment, is often unemployed. The law fixes the amount, too. The act of June 3, 1864, reads:

Every association hereinafter named shall, at all times, have on hand, in lawful money of the United States, an amount equal to at least 25 per centum of the aggregate amount of its notes in circulation, and of its deposits; and every other association shall at all times have on hand, in lawful money of the United States, an amount equal to at least 15 per centum of the aggregate amount of its notes in circulation, and of its deposits.

This was changed in the act of June 20, 1874, by the repeal of that part which applies to the circulation, but left a reserve on the deposits still.

He has no monopoly in this either, for anybody can buy a bond on precisely the same terms, and any set of people can join their bonds together and start a bank, too, even the servant girls in your

kitchen. Oh! ye reformers of our money service, unless you pay them fiat money for their wages, in which case they would soon have to interview the paper-rag man.

That men take advantage of our banking laws to rob the poor, as these so-called sympathizers claim, I positively deny, because I do not see how they can. The banker is not allowed to loan money on mortgages or accept security on real estate, save to secure a debt previously contracted that can not otherwise be liquidated, and then, as is the custom the world over, the man's property becomes responsible for his indebtedness. The law fixes the rate of interest at the lawful rate of the State or Territory where the bank is located; and when no interest is fixed by the laws of the State, they can charge but seven per cent., the penalty for disobeying this is to lose all of the interest, except in cases that are specified.

It is true, however, that human wisdom has not yet found a way to prevent the wicked from turning good into evil, because there has been discovered no law that will be accommodating enough to work both ways at once. But even divine law has the same result, and the sun still shines, after all these centuries, on the unjust along with the just.

And with all their faults we would hardly be bettered by the change to Government banking that has been discussed and proven inadequate, periodically, ever since the first National bank was started, and as the mare's nest hunters are again agitating the subject, it would, perhaps, be as well to quote Secretary McCulloch's disposition of the subject. In his report on the state of the finances,

dated November 30, 1867, the currency question is settled as follows:

This subject is before the public upon two propositions: 1 To deprive the National banks of the right to issue notes for circulation, in order that the Government may issue its own notes in their place. 2. To issue United States notes, in payment of compound interest notes, seven-thirty notes, and five twenty bonds, as they mature and become payable. To state the first proposition fairly, it proposes to withdraw the circulation of National banks in order that the Government may occupy the whole field. The $300,000,000 of bank notes to be replaced by $300,000,000 of United States notes.

The $300,000,000 of United States notes are to be used for the purchase of United States bonds, which are to be canceled: and thus non-interest bearing notes are to be substituted for interest bearing bonds, whereby a saving is to be effected of the amount of interest that would otherwise be paid upon the bonds so canceled.

It is claimed that by payment of interest on the bonds deposited by the National banks with the Treasurer of the United States as security for their circulating notes, the Government pays to the banks a *bonus* for issuing $300,000,000 of currency which it might have without the *bonus* by issuing its own notes.

This is a plausible proposition. Many of its advocates are honest in the belief that by acting upon this theory the Government would actually save $18,000,000 per annum, and they are entitled to a fair hearing.

The National banks are authorized to issue $300,000,000 of currency. The same amount of legal tenders substituted for this currency, would purchase $277,800,000 United States bonds at 108, which is less than the present market price. The interest on these bonds at six per cent. would be $16,668,000.

If the bonds could be purchased at 105, the legal tenders would buy $285,700,000, the interest upon which would be $17,-142,000.

If the bonds could be bought at par, there would be $300,-000,000, upon which the interest would be $18,000,000.

The National banks, however, for the year 1866, actually paid over $16,000,000 in taxes, as follows:

To the Federal Government, ...	$8,069,938
To the States, ...	7,949,451
Total, ...	16,019,389

(The above was based upon the reports of the Commissioner of Internal Revenue and the returns of the banks from each State.)

As the revenues of the general Government are derived from taxation, the return of any sum by the banks of the State government, in the way of taxes, is substantially a return to the people who pay federal taxes, and is properly credited to the banks in any statement of account between them and the Government.

If the bonds purchased by this new issue of legal tenders cost 108, the interest on such bonds would be $16,668,000; deduct taxes paid, $16,019,389; amount saved, $648,611. If the bonds cost 105 the amount saved would be $1,122,611.

If the bonds could be bought at par the amount saved would be $2,000,000.

This is the sum total to be saved under the aspect of the case most favorable to the advocates of the proposed change.

But this is not all. The National banks are compelled by law to hold constantly in reserve a certain percentage of their circulation and deposits in United States legal-tender notes. The amount thus held permanently in reserve is never less than $150,000,000 (generally about $180,000,000), and is a gratuitous loan to the Government. The banks get no interest on it. It is so much of their capital unproductive, invested in non-interest-bearing notes of the Government.

The case may now be stated thus. The banks have loaned to the Government as follows:

For bonds deposited to secure their circulation	
bearing six per cent. interest	$250,000,000
Bearing five per cent.	90,000,000
Permanent reserve of legal tenders . . .	150,000,000
Total loan to the United States . . .	$490,000,000
For which they receive six per cent. interest on	
$250,000,000	$15,000,000
Five per cent. on $90,000,000	4,500,000
Total	$19,500,000
But they refund in taxes	16,000,000
Leaving	3,500,000

Which the Government pays the banks for a loan of $190 000,000, a little less than three-fourths of one per cent.

But there is still another aspect of the case:

The banks are held rigidly accountable for the interest the receive on money honestly loaned to the Government when i needed money, and they claim credit for the money loaned t the Government without interest. They hold these $150,000 000 in obedience to the mandates of the law while money worth to them six per cent. They, therefore, give the Gov ernment the use of the money—that is to say, six per cent. o $150,000,000 non-interest bearing notes, held permanently in re serve, $9,000,000; they repay in shape of taxes, $16,000,00(total, $25,000,000; they receive from the Government, $19,500 000, leaving $5,500,000 which the bank actually pays to the Gov ernment as a bonus for the privilege of circulating their ow notes.

The fact should not be overlooked in this connection tha the banks have deposited $340,000,000 with the Treasurer a security for their issues. Now the United States could nc possibly buy over $300,000,000 of these bonds without actu addition of $30,000,000 or $40,000,000 of greenbacks to the amour it is proposed to issue in lieu of $300,000,000 of National ban notes. The result would be either that the Government woul fail to save $2,400,000 interest on $4,000,000 of its bonds, whic it could not purchase, or it would have to try the dangerou and unnecessary experiment of again inflating the currency.

The $90,000,000 of 5 per cent. bonds might be bought at par	$90,000,0(
Suppose the 6 per cent. bonds could be bought at 106 (though they are now selling much bigher)—$250,000,000 at 106	265,000,0(
It would take	$355,000,0(

to buy the bonds now held by the banks. Here is a direct infl. tion of $55,000,000, which is the excess over the interest re ceived by the banks, paid as a bonus for their circulation.

In fact the circulating feature of the Nationa banks is a source of expense instead of an income for which reason no National banks have for year taken out over the minimum amount of circulatioı and they would abolish the circulating feature c

he law entirely if they could, because it is an ex-
ensive luxury.

On this subject Comptroller Lacey said in his report for 1890, after calling attention to the fact that he issuing of circulating notes by National Bankng Associations was unprofitable, and in a maority of cases a positive loss, resulting from the igh rate of premium established in the market pon the bonds of the United States available for he purpose of securing note issues:

In the opinion of the Comptroller the law governing Naonal banks should be amended so as to produce the following nodifications:

1. The minimum deposit of bonds to secure circulation hould be fixed at ten per cent. of the capital stock in respect o all associations having a capital of $300,000 or less, and for ll banks having a greater capital, a minimum deposit of $30,-0 in bonds should be required.

2. Circulation should be issued to the par value of the bonds eposited.

3. The semi-annual duty on circulation should be so reduced s to equal one-fourth of one per cent. per annum.

These recommendations are renewed at the present time, ithout modification, except as to the first proposition, which ight be so changed as to fix the minimum of bond deposit at he nominal sum of $1,000 for each association without refernce to the amount of capital stock paid in.

On the 15th of July, second year, the Hon. John herman, recognizing the same trouble, introduced bill to meet the exigency, referring to which omptroller Lacey says:

It will be observed that the bill provides:

1. That no association shall be required to maintain a bond eposit of more than $1,000 to secure circulation.

2. That every association may issue circulation equal to the ar value of its bonds so deposited.

3. That the monthly withdrawal of bonds under the act shall ot exceed $3,000,000 in the aggregate.

Under all the circumstances the Comptroller has no hesitaon in earnestly recommending the passage of this bill.

It is a well-known fact that the circulation of the tional banks is in process of retirement. During the f years ended October 31, 1890, the aggregate of their circulat based upon deposit of United States bonds has been redu from $276,304,189 to $124,958,736, showing a net decrease dur the five years of $151,345,453. The net average decrease each of the past five years is $30,269,090.

This is more significant when we take into account t fact that during this period there has been an average yea increase of 168 in the number of National banks and an crease of 839 in the aggregate.

It is evident, therefore, that causes are in operation whic unless removed, will in the near future reduce the circulati of National banks to the minimum requirement of the law.

"But," says the objector, "banks are not oblig to take out any circulation, and if it is a luxur why take out even the minimum amount?"

It is true that the law governing the estal lishment of a National bank does not comp the taking out of any circulation, and there a many banks that do not take it out. For i stance, there are five National banks in Ne York City, viz.: Chemical National, Mechanic National, Merchant National, National City Ban National Park Bank, with a combined capital $7,300,000, that has not taken out a dollar of circu lation, although entitled at that time to over $5,000, 000. And in Chicago the First National, the Mer chants' National, and the Prairie State Nationa are in the same category—they have no circulation But, while not compelled to take out circulation they are compelled to buy bonds and deposit wit the Treasurer as a basis for a circulation, whethe they want it or not, and also to deposit an amoun equal to 5 per cent. of their bonds as a "redemptio fund" to redeem a circulation which in the case referred to they have not taken out.

ıfter going to the expense of buying bonds at a ·mium of twenty per cent. and depositing five · cent. of their value with the Treasury for "re-nption fund" it depends entirely upon the value noney in that particular locality whether a bank l care to go ahead and pay one per cent. tax and ozen other expenses and take over ninety per t. of the par value in circulation. Where money worth ten and twelve per cent., as in the stern States, it will pay to do so, but where ney is cheap it does not pay, even after they e the bonds deposited and have incurred the viest expense—the premium on same. This is ctly why the banks quoted above have no cir-ation.

ınd Mr. Lacey says farther, in explaining a table ıis report:

ıe foregoing table is perpetuated to show by comparison falling off in the amount of bonds deposited in excess of requirement. and it will be seen that the percentage of ss has fallen from 28 in 1882-3 to 18 in 1889-90.

the 201 banks organized during the past fiscal year 168 a capital of $50,000 each, amounting to $8,400,000 ; 77 have pital of over $50,000 and not exceeding $150,000, and 46 have ggregate capital of $20,250,000. The 46 largest banks de-ted the exact amount of bonds required by law, and of the aining 245 banks only 7 deposited bonds in excess of the irement.

twithstanding the accession of new banks to the system the consequent deposit of bonds and issue of notes the tanding circulation steadily decreases from year to year.

ow let us see just what a dollar bill does cost banker.

ounting 4 per cent bonds at $1.20, the banker get that "one-dollar bill" had to deposit with government $1.33⅓, which, counting money th 10 per cent for convenience, would figure about this way: *

Interest on \$1.33⅓, at 10 per cent........................
Tax on circulation ....
Interest on the 5 per cent redemption fund deposited ....
All other expenses ....

Total cost of one dollar ....

From which should be subtracted:

Interest on bond ....
Interest on dollar loaned ....

Leaving a net loss of nearly 1 cent on every lar issued or \$900 per annum by a bank with \$9 circulation.

And yet these Nineteenth Century wise-a tell us that the banker is making 700 per cent his investment. And this is a fair specimen "reform party" mathematics.

But if their literature is remarkable in no ot particular, it is remarkable in the way in wl they fling wild statements around, without o taking aim at the truth. If their efforts happe hit it, well and good; if not—well, the times t do will inspire confidence, and the people think it a foul, not a bad aim. They said: "*We h seen* that the banking interest had at one time representatives in Congress." Now, if we h seen it, they did not show it, and I have been able to find out when that time was. In anot place, they declare it was when the "cre strengthening act" was passed. It was theref the Forty-first Congress. Turning to the reco we find that there were ten bankers in all hold seats in that Congress, two Senators and eight R

sentatives. Of these, but one poor, lone, solitary miscreant" was appointed on either of the great nancial committees where the act was formulated; lexander G. Cattell, a Senator from New Jersey, ho was a merchant and banker also, was on the inance Committee. The other members of that mmittee were all lawyers, but one, who was eduted a soldier. The personnel of the Ways and eans Committee was also with a leaning to the w, all belonging to that profession but three, two erchants and one editor.

If there were 189 bankers in that Congress the cords do not show it, and unless this Populist edium had a seance with some spirit I do not see w they discovered the secret, and of one thing I n sure, the spirit was not "the spirit of the times." nother spirit.

In the present Congress there is only a poor little o, not enough to do much harm, let us hope. it if there ever were, as they represent, so great umber of bankers, why then I should think that, nce the people elect those who best represent their erests, there must have been some very rich mmunities somewhere taking an interest in poles at that time; and with all due respect to the ird Congress, and the Father of Our Country, , I claim that all classes have a right to be repented. If the people elected the devil in suffint numbers, and he secured legislation to reve the tax from the sulphurous regions to which belongs and places the burden on the Salvation my, whose fault would it be? In that case I uld cry, "So mote it be! E pluribus Unum! l pinch the eagle's tail feathers till he squealed nen!'"

CHAPTER IV.

EXPLOIT THIRD.—CONTRACTION THAT DID NOT (TRACT.

The mistakes of this modern Moses, the Popı party, whieh thus eonstitutes itself a guide to l out of the wilderness of their muddled laek of derstanding these fiat ehildren—for I think the I ulist must have been ereated by some unusual eree, and not by the regular eourse of nature- mistakes, alas! do not end here.

The second fallaey is what is ealled "eontrac of the eurrency," and they specify the act of A 12, 1866, as the mode by which this enormity committed. The third exploit of our hero, sh ing the eagle which devoured the liver of our p lie credit.

Turning to Webster I find the word "eont tion" defined thus: "The aet of eontraeting, dr ing together or shrinking," and I am honestly loss to know what has been shrunken.

Greenbackers say it was the eurreney of country, and for onee give facts, so ealled, in s stantiation of their assertion, along with the us hyperbolical illustration. They say that by aet it was provided that "a regular and system cal cremation of greenbaeks" should take pl Now we have heard what the Greenbaekers s let us find what the law had to say:

To anthorize the Secretary of the Treasnry, at his dis tion, to *receive* any treasury notes or other obligations is under any act of Congress, *whether bearing interest or no* exehange for any description of bonds authorized by the to which this is an amendment.

There it is: plain enough it seems. Merely an act authorizing the fulfillment of the promises of the Government to redeem these Treasury notes on the demand of their holders. If they are worth so much more than the bonds offered in exchange, it is strange that they were yielded up for cremation.

The non-interest bearing greenback was not the only paper called in by this act, as it applied not only to them, but other obligations.

As to the greenbacks themselves, statistics show that the highest amount ever outstanding was in July of 1864 when there were, at one time $447,300,203, and yet according to the Populist arithmetic, it is stated that in the year 1869 alone $500,000,000 were destroyed.

To begin with, this puts more than twice the sum into the possession of the country in 1869, than seems to materialize on the Treasury reports. According to those there were in circulation at that date State bank notes, fractional currency, United States notes, National Bank notes, and specie in circulation on the Pacific coast, all included, $673,148,244; in the Treasury there were of the four kinds of circulating paper money mentioned above, $80,839,010. This added together—which I take it would represent about all the circulating money in the United States, unless there was some invisible—would be a total of $754,378,254; a long distance between that and almost two billions credited to us by these veracious reformers.

Next, it is stated that enormous sums were destroyed each year from 1866 to 1877, aggregating—without counting the first year, for which they do not condescend to furnish us the figures—the grand total of $1,436,255,463; just $681,877,207 more money than the circulating money in existence. Mind you

they expressly state that this money was taken froı circulation, and attribute all the troubles incideı to our business transactions at that time, to th: fact, declaring that the decrease of money lowere the price of other property, doubled the debts ‹ the poor man, and also the Government debt. . soul-harrowing picture, but it is only a picture, an not taken from life either. Now for the truth.

Reading from the law again: "But nothin herein contained shall be construed to authoriz any increase of the public debt," with the furthe provision: "That of United States notes not moı than $10,000,000 may be returned and cancele within six months from the passage of this act, an thereafter not more than $4,000,000 in any on month." Now, using a little arithmetic, one sees at glance that $48,000,000 was the utmost tnat could b retired in a whole year, and the first half year onl $10,000,000, and had the utmost been done that coul be done under the law, the reduction would onl have reached, in the time specified, a total of $412. 000,000. But, on the 4th of February, 1868, just on year, nine months and twenty-three days after th act, part of which is quoted above, an act wa passed which reads as follows:

> That from and after the passage of this act the authority c the Secretary of the Treasury to make any reduction of th currency by retiring or canceling United States notes shall b and is hereby suspended, but nothing herein contained sha prevent the cancelation and destruction of mutilated Unite States notes, *and the replacing of the same with notes of th same character and amount.*

Had the utmost the law allowed of this "dir destruction" been accomplished, there would hav been less than $64,000,000 retired; but the outsid limit was far from being attained, for but $44,000,

000 had been retired and canceled when the suspending act was passed, leaving still outstanding $356,000,000 of them, and at the same time additional National bank-notes were issued to the amount of $135,342,048, with further annual issues, keeping pace with reductions elsewhere. The fractional currency was increased also, in that year, by an additional issue of $2,065,048, this increasing also year by year.

Thus, in the years between the years 1866 and 1876, at which time subsidiary silver came into existence and the State bank-notes had at last all been replaced by better money, our circulating medium was increasing with almost steady uniformity from $675,488,244 in 1866 to $727,609,388 in 1876. This, too, through all the business trouble of which these people complain, and the panic of 1873. And yet in the face of this increase, *as shown by the records*, they declare that a scarcity of money was the cause of it all and ruined the value of other property.

We sold $95,500,000 worth of bonds for gold, also, which was covered into the Treasury, thus securing the value of money in circulation and preventing loss to the people.

Besides all this, a greenback was not as good as gold in those days. *It is now*, because our wise Republican government made it so by the very acts that the Greenback Party is now decrying. In 1866 a gold dollar was worth just forty-one cents more than a greenback dollar; in 1867 it decreased three cents, but jumped back to 40 cents in 1868. From that time there was a steady but gradual decline till the resumption act made all money—like all men in this country—equal and at par all over the world.

Of the bonds issued at that time there were $840 000,000 six per cents issued in exchange for sever thirty notes ; and nearly $160,000,000 more for th compound interest notes, and other oligations ma turing. Counting these, the figures displayed i the records will approximate to those of my dis tinguished though mistaken countrymen; and a other bonds, bearing a smaller interest, were issue in place of them, for nine-tenths of which ban notes were circulated, thus retiring these mature interest-bearing notes *as they came due*, withou disturbing the circulation, I do not see how the make a case; especially as these interest bearin securities formed no part of the permanent circu lation.

The one and two-year notes of 1863 and the com pound interest notes were never in circulatio more than a few months, just after they were issued for they were soon absorbed as investment securi ties, thus withdrawing them from circulation. Th seven-thirty notes were not used as money no paid out as such by the Treasury, but were onl negotiated as a loan and issued by the Governmen to investors in exchange for legal-tender notes, be ing sold at par and accrued interest like any othe loan. A soldier was paid now and then with on or more of them, less than $10,000,000 in all, becaus he wanted to keep them for the interest. These were, therefore, never circulated.

Another reason why these notes could not hav circulated as money among the poor—who were s greatly distressed on account of their withdrawal according to the Greenbacker—was their size. Non of them were of a less denomination than $50, o which there were $44,509,900; of $100 there wer

$137,634,600, and the remaining $647,840,000 were in denominations of $500, $1,000, and $5,000. To a poor man one of the smallest of these bonds would have represented his savings, to be hoarded away.

And yet another reason that no one, either poor or rich, would have tried to use these notes as a circulating medium, was their constantly changing value, increasing as the interest accrued up to the semi-annual payment of the interest, when a coupon was cut off, and the bond fell back at its face value with the small premium at which they sold in those days, added, which also increased and decreased according to the fluctuations of the market; and these fluctuations were the pulse of public confidence in the wisdom of our Government, too, and the fact that a Government bond is worth to-day at least sixteen per cent. premium, when they sold then at the average rate of 38-1000 of one per cent., seems to me a clean bill of health that will serve as a vindication of those acts meant for the general good, strong enough to refute the calumnies of even the most chronic croaker.

The legal tender notes received by the department for these seven-thirty notes were immediately paid out by the government, in settlement of demand liabilities then pressing, so that our circulation was increased, instead of being decreased by this legislation, in two ways: First, by the circulation of these legal tenders; and, second, by the increase of the National bank notes provided by our wise legislators expressly to prevent contraction of the currency, which alone was twenty per cent. over; in proof of which see law of January 14, 1865, "the resumption act," which says:

It shall be the duty of the Secretary of the Treasury to redeem

the legal tender United States notes, in excess only of $3 000,000, to the amount of eighty per centum of the sum of tional bank notes.

After this act $10,000,000 more United States no were retired, and then on May 31, 1878, an act w passed forbidding the further retirement of th notes, and leaving $346,681,016 in the field, whi sum you will see carried in the reports of t Treasury up to the present time.

And this sum was enough; for so large amount of United States notes issued as a w measure, were still outstanding and were an c ject of suspicion to the one, and were the basis o chimerical hope to the other. Europe did not ha an overpowering confidence in this fiat money, a the other class began to talk of an unlimited su ply without the trouble of earning it.

All other amounts of United States notes th have been received into the Treasury from a sources, such as internal revenue, customs, et have been paid out again and kept in circulatio What has been said about the hardship to tho who had money to be redeemed in sums less th $50 is worse than childish nonsense; because eve bank from Maine to California did that for them a mere accommodation without discount or an thing else in the shape of a hardship. Col. As Matthews, First Comptroller of the Treasury u der Harrison, who was a banker at that time, say he has done it hundreds of times, even in the sma town where he lived. And it is equally prepost ous that the poor man pays the rich man's interes How, in the name of common sense, does he do i He has no property to tax; his poll tax is but $ annually; and from a number of interviews wit

eading dealers in domestic supplies, I learn that is supplics, far from being increased in cost, have een growing steadily cheaper. So he has not been aying a tax on his living either.

Thus you sec, my dear long-suffering reader, this reenback, Farmer's-Alliance, People's, Populist abor Party cries "wolf! wolf!" when there isn't ven a kitten in sight.

But while they have among them such champion ars as the Georgia editor who is quoted, it is no onder they have the jim-jams, and see wolves nd things. This great journalist dealing in hys- erics too, draws a picture of a poor cotton planter's oes, in which he bases them all in the decrease f money per capita from 1868 to 1887. In the first ientioned year there were $40 per capita in circu- ation, according to the above mentioned g. j., hich he says dwindled down to $5 in 1887. What re the facts?

I am rather fond of *facts*. In 1868 there was per apita, including the Pacific coast specie, $18.39. n 1887 there was $22.45, and there has been a steady ncrease ever since. There has also been a steady ecrease of the public debt, which at the end of ebruary, 1892 was, all told, $972,282,890.61. Of this um $387,255,810.61 bears no interest, and the 4½ per ent. bonds have been converted into 2 per cent re- eemable at the option of the government, so that he highest now is 4 per cent, which will become ue in 1907. The 2 per cent bonds are the lowest hat have been floated by any country on earth howing that the American credit is the best in the orld.

If these facts and figures that I have painfully laborated directly from our public documents did

not prove that these populistic writers must ha' included the bonds in their eremation, the admissic of the great greenback apostle, General J. B. Weave in a conversation with Colonel William P. Hej burn, gives the whole matter away. Colonel Hej burn once asked him, after a speech in which l made pretty much the same statement, what l meant to include in this large sum, and if l counted the bonds also, and he replied that he di

Now, if some people are so very obtuse as to r quire an object lesson to convince them, I hav prepared a kindergarden illustration for then Inquiring at the Treasury what had become of a those bonds, an officer of the department kindl offered to show me.

Down in the basement of the Treasury, in a lon narrow room without opening except the do which we entered, lighted by gas and furnishe with shelves from floor to ceiling, were those sel same seven-thirty notes. Done up in bundles, the filled every inch of space. I was permitted to har dle some of them, taking my choice of the lot, an I found the most of them as clean, except fro dust, that had accumulated upon the outside, a they were when they left the printing press On batch of fiftys had been out about two years and half, and in that time, if they had been used as circulating medium, some signs would nave ap peared, and as that is the smallest size, they, if an would have been so used.

Sometimes those on the outside would look a lit tle shabby from the handling in the office, but th inside notes of all were perfect, except a few tha had suffered from contact with damp or others tha had been hidden in a stove, perhaps, where they

cidentally burned, or under the carpet, from which fe deposit they suffered contraction from the eth of mice. But as to any of the signs of busiess circulation, there was not an earthly bit of idence, such as one very readily sees in the oms where greenbacks and bank notes are sent r redemption after a few years' use.

When cornered by this statement from others, r Third party friends have declared that these nds were as good as in circulation because they ere made to do duty as the required reserve on e circulation, thus liberating the bank notes. ow, in the first place, as only *lawful money* could e used for this purpose the bonds were not availble because they were not a legal tender.

It is true the compound interest notes, the three er cent. coin certificates, and the "one and twocar notes of 1863" were a legal tender, and might ave been used that way; but that they never were used the records of the Comptroller of the Curency amply demonstrate, and as an example of is I will present the report of 1868, as that is the rst year in which this report was tabulated in a onvenient form.

The required reserve of all the banks in exisence in that year amounted to $186,421,682, and the wful money, United States notes and coin, which ese banks had in reserve at that time was $196,-56,380, a cool $10,334,698 more than was required ithout the use of the $64,318,220, compound interst notes, the three per cent. certificates, etc., which ere held as a simple investment, and these would ave lacked $22,043,462 of being sufficient had they een the only dependence.

The compound interest notes had but three years

to run, too, and by 1870 were all redeemed but little over $2,000,000 that were for various reaso still left outstanding though, of course, having n tured bearing no interest.

The interest-bearing notes and the circulati notes were provided for in the very same act, a it was stated in the debates that the note should used as an investment security, while the oth would add to the volume of money in circulatio

And this was literally the result, for the cas were rare indeed where the compound intere notes changed hands. This happened in a few i stances where the original recipients, needing th money, sold them to those who wished to ho them as an investment. A chaplain in one of th regiments, as an instance, regularly bought the whenever it happened that "the boys" were pai off in them; he wished to hold them for the inte est, but the soldier had to use his money for famil expenses.

This third party paints a soul-harrowing pictu of the struggles of a victim of this "contraction, and to make matters worse, dumps him right o to the Grand Army of the Republic. If this poc man had such a hard time I pity him, but more fc want of sense than anything else.

Any man who had been reared on a farm tha didn't know better than to bank on the futur price of wheat, because it was selling at the tim for $2 per bushel, in money that had not reached a gold standard, was a visionary indeed; even th little boy that plays marbles in the street know better than that, for you will see that urchin hold ing a reserve for emergencies every time.

Business failures, like everything else in this

orld, are the creations of such a variety of cir-
nstances that it would take a book as big as
ebster's Dictionary to exhaust the subject. As
these particular business failures, we have seen
at they were not caused by the lack of money at
l events, as money was more plentiful than ever,
d, according to my recollection, they did not
ppen anyhow; at least in no undue proportion
the new business ventures at that time. The
ar having ended, many of our boys in blue re-
rned to business avocations, and at the same
ne immigration took on a new impetus, almost
oubling in the seven years after 1866 over what it
as in the seven years before. All these must
ork for money or starve, and we all know how a
reigner can work when he gets here, where the
ages, as compared to his own land, seem princely.
Added to this, the money at that time was of var-
able and unsettled value, the very thing Congress
as trying to rectify. As during the war, at news
f a victory for Grant, up went money along with
he hats of all good citizens; at news of a Confed-
rate triumph it went down, because the one in-
reased the confidence of holders and the other de-
reased it; so after the war the movements of our
aw-makers were watched, and people began to
peculate as to when we would resume specie pay-
nents; everybody who knew anything about
noney had serious doubts about a long continu-
nce of irredeemable promises to pay even from
he greatest Government on earth.

England with a war less aggravated than ours
or many reasons took twelve years to accomplish
esumption; this seemed a long time to those who
elieved in the merry jingle of metal money—with

its own intrinsic value that never changes, ev with the destiny of nations, except by the immu ble law of supply and demand. Then came whisper, a tiny sibilant sound at first, but at l swelling into the proportions of a new party. T Greenback party was born, which declared a pol to keep right on printing money by the bushel need be, regardless of the fact that money that se by the bushel is not valuable. The people did r want to run the risk of having a greenback memoriam like that dedicated to the holders of t Confederate Treasury notes, written on the back one of them by Major S. A. Jonas of the Tex Brigade, beginning as follows:

> Representing nothing on God's earth now
> And naught in the waters below it,
> As a pledge of the nation that's dead and gone,
> Keep it, dear friend, and show it.

And the uneasiness became greater, and it w in 1877, when the time had lengthened out till ou money was at a discount, that labor was cheap ened.

As to the panic of 1873, that was in no sens brought about by financial legislation, but wa caused, in the first place, by the undue expansio of railroad building in this country.

Jay Cooke & Co. were the first to fail, and the failure resulted entirely and exclusively from the intimate relations with the financiers of the Norther Pacific Railroad, which was then in process of con struction, and of which they were the fiscal agents The whole thing began in New York City in Sep tember, at a time when money is always compara tively scarce on account of the movement of crops

Jay Cooke & Co. had loaned nearly all of thei

money for the construction of the railroad, and were unable to recover it in season to meet the draughts which were made upon them by their correspondents, and were obliged to suspend.

This failure of a house which had been considered one of the richest and most powerful in the world was followed almost instantly by the failure of other prominent bankers in New York City, and a panic was in full force within seventy-two hours.

It was at that very time that we had our irredeemable currency too, a state of affairs that Congress was laboring to change. That they did change it is proven by the fact that our greatest prosperity began in '80 and '81, and has continued ever since.

So that this act, which they call "contraction," proves to have been expansion, not abnormal, such as the Greenbackers are clamoring for, but a healthy expansion, and has proven its right to be called what its formulators intended, the continuation of "an act to provide ways and means for the support of the Government."

CHAPTER V.

FOURTH ACHIEVEMENT—AN ACT TO STRENGTHE[N] THE PUBLIC CREDIT.

One of the noblest legislative acts ever passed b[y] the Amerlean Congress was the act of March 1[8], 1869, entitled, "An act to strengthen the publ[ic] credit." For it was thus our Hercules eased Atl[as] by taking the world on his own shoulders.

This act was made necessary by the faet that [a] elass of malcontents had sprung up in this countr[y] openly proposing that our Government should se[t] the example, for the first time in the history of na[-]tions, of a semi-repudiation, in a time of prosperity[,] too, of the most solemn obligations to those who i[n] the hour of need, aided us to save the country fro[m] disintegration. The faith of the Government to b[e] disregarded, the great seal of the United States be[-]smirched, and our flag dishonored, to save (o[r] rather steal) out of the borrowed money due fro[m] us a few paltry dollars. And the worst of it is tha[t] we would not have saved the money either, for th[e] act of dishonor in itself would have brought its ow[n] punishment, and the very first payment of ou[r] bonds in paper currency would have so impaire[d] our credit that a United States note would not hav[e] been worth 40 cents on the dollar in our own mar[-]kets nor the paper it was printed on in Europe.

True in the one clause of the act of Feb. 25[,] 1862, by which the first batch of 5-20 bonds wer[e] authorized, it was not expressly stipulated tha[t] these bonds should be paid in gold, because the[y] had always paid them thus, and it had never bee[n]

e custom to mention the fact. In all the loan ws from Aug. 4, 1790, up to the war, no mention made of the particular kind of money in which ese obligations were to be redeemed. There was ɔt even a mention of coin till the act of March 2, 61, when $35,364,450 of Treasury notes were issued, nd the law says:

And the Treasury notes so issued under the authority herein ven shall be received in payment for all debts to the United ates when offered, and in like manner shall be given in payent for any sum due from the United States, when payment that mode is requested by the person to whom payment is be made, or for their par value in coin.

In an act approved July 17, 1861, a further issue Treasury notes was made in exchange for coin. gain in the same act the Secretary of the Treasury as authorized to exchange these Treasury notes r coin or for other Treasury notes, falling due, lacing the two on the same basis.

These two were the only times that the word coin as mentioned in any of the negotiations prior to ie act of February 25, 1862, and the next mention coin is made in this act, itself. In this act sev-'al important measures became law. First the gal-tender notes were authorized (and by the ay upon the vote for the legal-tender quality of iose notes, the yeas were 93 and the nays 59, al-iost a strictly party vote, the Republicans for, and ie Democrats against), an issue of $200,000,000, hich by subsequent acts was increased to $450,-00,000 was authorized. A pretty good load for any ountry to carry on its simple credit. It was in iis act that the famous exception was made, for iese notes were not receivable for duties, or inter-st on bonds.

Second the five-twenty bonds were issued $515,-

000,000 which was increased by other issues. No as to there being no provision in the law maki these bonds payable in gold, an intelligent inte pretation is altogether in favor of it.

First, it had been the habit of the country to p in gold and silver when demanded, although act had ever expressly stipulated this; second, t value of gold at that time was but two per cent. mo than par, and the chances seemed at that time that would be back to its normal standard long befo any of these bonds matured; third, it was expres ly stipulated that the Secretary of the Treasu could sell them for coin, which presupposed th those buying them would receive like money return for them if so desired; fourth, Section 5 the same act provides that all import duties sha be paid in coin, etc., and the coin so paid shall set apart as a special fund, to be applied, amon other things, to the purchase or payment of one p centum of the entire debt of the United States, to b made within each fiscal year, the interest of this als to be applied the same way; and, fifth, as the sam act that authorized this loan had made the fir legal-tender, of which there were $315,000,000, les than the amount of the five-twenties, the old de mand notes not being legal-tender, our law-maker had no legal-tender notes to offer either for this o other obligations due and coming due.

Now, as these bonds were issued in 1862, redeem able at the pleasure of the United States after fiv years, they could have been taken up, at least part of them, one would suppose, before 1871, whe the first of them were redeemed, and I submit th question to the Populist Party, why didn't they d it if they were so anxious to enrich the bondhold-

s, as in the interim between 1867 and 1871 gold ad been up to 40 cents premium, and at the time e first of these bonds were paid was again on a pid descent, and the last were not paid till long ter the resumption act had made all our moneys f like value.

The act making anything else but gold or silver legal tender was strictly a war measure, sanconed by the dire emergency that made it necesry. When the war was over and the country at ace no such necessity existed; and, but for the oakers who raised the question on a mere techniility of the law, and a usual one at that, nobody ould ever have thought anything of returning to e old ways as speedily as possible after the war as over.

But the croakers croaked, and men learned in nanciering became uneasy, lest even the law of recedent be disregarded. The holders of these onds who had paid good money for them became neasy also; and, mark you, those bondholders epresented all classes, from the great bankers own to the frugal farmer, mechanic, or crippled oldier, who had laid a trifle by for the rainy day, nd on the "faith of the United States," sealed by s great seal, thought the Government bonds the afest investment of all. What a shame to cheat hese confiding people with a bit of paper of depreiated value! Would any People's Party houseeeper like it, when she lends her neighbor a drawg of coffee fresh browned and aromatic, to have hat neighbor return to her, the full amount it is rue, but of a quality from which the strength and avor have vanished?

Well, that is just what these children of discontent

want our Government to do with the holders these bonds; and the yelping of the pack of hum wolves compelled Congress to define its positi in a sort of declaration of honesty, as it were, this "climax of audacity."

That in order to remove any doubt as to the purpose of Government to discharge all just obligations to the pul creditors, and to settle conflicting questions and interpre tions of the laws by virtue of which such obligations h been contracted, it is hereby provided and declared that faith of the United States is solemnly pledged to the paym in coin, or its equivalent, of all the obligations of the Uni States not bearing interest, known as United States notes, a of all the interest-bearing obligations of the United Stat except in cases when the law authorizing the issue of a such obligation has expressly provided that the same may paid in lawful money or other currency than gold or silv But none of said interest-bearing obligations not already d shall be redeemed or paid before maturity, unless at such ti United States notes shall be convertible into coin at the tion of the holder, or unless at such time bonds of the Unit States bearing a lower rate of interest than the bonds to be deemed can be sold at par in coin. And the United States al solemnly pledges its faith to make provision at the earli practicable period for the redemption of the United Stat notes in coin.

This is the first act of General Grant's admini tration.

"Immediately upon his inauguration an ext session of Congress was called" by the old w hero. "The first bill presented, the first bill pas ed, the first act approved by President Grant," w an act to strengthen the public credit. (The quot tions above are from the Populists, the rest fro justice.) And it is for this act, made necessary b cause of the Munchausen theories of greenbac dreamers, that they dare, with an impious pen, t desecrate the tomb of the man who protected ou

untry from its enemies, and won for it the admi-
tion of the whole world, General Grant, honored
 all Europe.

It is for this act that they would sully the fair
me of Morton, "the soldier's friend." He who
ved his State from dishonor when its Democratic
egislature refused the appropriations, because
ey "would not vote money to war on the South."
hen the Legislature adjourned, leaving the Gov-
nment coffers empty, Oliver P. Morton obtained
e necessary funds from Winslow, Lanier & Co.,
nkers, of New York, (who were agents of the
ate in managing the State debt) on his own per-
nal responsibility, giving his note, as did some
 his friends at his suggestion. Afterward the
eneral Government authorized him to establish a
rtridge factory at Indianapolis, advancing him
oney on his personal credit to do so, that he
ight by the sale of the cartridges meet the war ex-
enses of the State. And after every battle in which
ndiana troops were engaged the great war Govern-
r of that State sent aid immediately—physicians,
urses, and supplies—all on his own promise to pay.
nd every dollar of it was paid. Paid in money at
ar, too. No repudiation there. That Morton lived
nd died a poor man, after handling millions, out
 which he could have grown rich, but of which
very dollar is accounted for, is his best defense.

It is for this act to strengthen the public credit,
at they would besmirch the living monument,
eared even before death, by a life of unimpeacha-
le integrity, to John Sherman.

The circumstantial evidence proves nothing in
e face of such evidence to the contrary, and al-
ough circumstantial evidence has hung many an

innocent person, it is, in this case, but a figmer the populist brain, which they do not offer to s stantiate by a single fact, merely adding a few mises and probabilities to their old scarecrow 189 Congressional bankers, which I have alre disproved by facts against mere assertion.

Another ghost which disturbs the Greenb haziness, is the spirit of injustice that they shimmering in the uncertain gloaming of a l ited legal understanding, in the fact that th bonds are not taxed.

Now, it is not strange that they should ha thought that at last something new had been fou under the sun, for in discussing the act of Feb ary 25, 1862, not one of all the wise Solons, thou by some people to know everything, referred to fact that the question had been settled for them l fore many of them were born.

In the case of Weston et al. vs. The City Coun of Charleston, the Supreme Court of the Unit States, the highest tribunal in the land, decid that the States had no right to tax such a contra In delivering the opinion of the court, Chief Ju tice John Marshall said:

> If the right to impose the tax exists, it is a right which in nature acknowledges no limits. It may be carried to any e tent within the jurisdiction of the State or corporation whi imposes it, which the will of each State and corporation m prescribe. A power which is given by the whole Americ people for their common good, which is to be exercised at t most critical periods for the most important purposes, on t free exercise of which the interests certainly, perhaps the li erty, of the whole may depend, may be burdened, impede if not arrested by any of the organized parts of the Confe cracy.
>
> The tax on Government stock is thought by this court to b a tax on the contract, a tax on the power to borrow money o

credit of the United States, and consequently to be repug-
t to the Constitution. (Peters' Reports, 1829, vol. 2, page

nd of course it would be a farce for the General vernment to tax its own bonds, for in that case interest would have to be increased in order to uce anybody to take them at all, and so the vernment would be merely taking money out one pocket and putting it into the other, paying the transfer in the bargain.

hould the day ever come that the hair-brained tingent of our National family, the Greenback rty, gained its point, drawing the Government a wild-cat financial system—or rather want of tem—that day our Republic would become nkrupt, and its creditors, the moneyed power, uld go down into the maelstrom of ruin, and a natural sequence every wage earner in the ntry would keep them company; for capital is ship upon which labor sails, and when the ves- goes down the passengers go also.

They make a great show of quoting from the ding Republicans in 1867, but fail to tell what same men said under the conditions of 1869. It only a fool who never changes his mind; but, if rton and Sherman, whom they abuse in the very ne chapter as "fratricidal conspirators" are rthy of being quoted at all, let her give their er utterances when the basis of our currency had tirely changed.

CHAPTER VI

FEAT FIFTH—REFUNDING THE DEBT.

Hercules went on with his work, although Populist Juno would fain have turned Galantl his mother, into a weasel, or, in plain English, h: subjected the constitutional majority to the wil a handful of Greenbackers. And his fifth feat v the refunding of the public debt, the fifth fall: of the greenback chronology. And through th mouth-piece they roared: "Why in the dickc didn't they pay it?"

Well, my friends, I presume the chief reason w one cousin german to that which prevented t Boston spinster from getting married, "It was r because she disapproved of marrying *per se*, b on account of the scarcity of mediums." She didı mean spiritual mediums, by the way, far from But women are a majority in Massachusetts.

In the year of 1870, when the refunding act w passed, the principal of the debt, bearing coin i terest, was in all $2,107,950,700, to be paid in gold · its equivalent. There was at that time in ou Treasury, gold coin and bullion to the amount $108,316,646. From this we must deduct the gol certificates for which the Government was liabl amounting to $32,084,800; the accrued interest to l deducted also was $49,647,032 more, leaving bu $26,594,814, which was all the gold owned by th Government with which to pay the $2,000,000,0(and over which we owed. Will some prestidigita tor please step forward and perform the feat re quired by these wonderful people?

Iercules being ordered to destroy the lion that l fallen from the moon, and finding him invul-'able to any weapon, strangled him with his ıds, and afterward wore his skin. And that is ıetly what the American hero did.

n the very year that the most labored effort of Populists to prove that we, as a nation, were t attempting to pay our debts, was in its latest tion, the year 1891, the interest-bearing debt, 'ough these very funding operations, had dwin-ed down from the two billions and upward, entioned above, to the sum of $585,028,080, the ghest interest rate of which was but four per ıt., instead of six, and of which $25,364,500 re-emable at the pleasure of the Government, bears t two per cent. interest; and under this act the nual interest, which was in 1870 $124,261,149, had kewise dwindled to $28,893,034. And the average te at which the public debt has annually de-eased since 1870 up to 1893, is $51,621,268. We sold 4½, and 4 per cent. bonds at par, for coin, and ed the money so obtained to redeem the six per nt. bonds, thus saving in interest $19,900,883.50 nually, of which amount $14,290,455.50 arises om transactions since March 1, 1877.

In these refunding operations the same wise fore-ought was maintained by those executing the ws, as by those who framed them that every dol-r might be used to the best advantage.

The Secretary of the Treasury was required by w to give three month's notice when bonds were lled to allow time for their holders to adjust their ısiness, which was according to agreement, and othing but fair all around. In the most ordinary ısiness transactions such an arrangement is con-

sidered an acquired right. And nobody lost a thing by it either, for the Secretary generally m aged to call the bonds at a time when he kı there would be collections from revenue and o moneys coming in, so that in all the ten years t it took to complete these operations, his expe ran over to the wrong side of the account but o and then the loss was compensated twice over the saving for that one year of the annual inter

And yet the enemies of the Government h been harping on this ever since, talking ab double interest, etc., and resolutely closing th eyes to the immense decrease. "There are none blind as those who *will* not see."

They will not see that the interest which v $124,261,149 annually in 1870 had been reduced, wl the Republicans retired from the control of the Go ernment, in 1893, to $22,386,543, a saving annua of $101,874,606, a result of the refunding operatio coupled with purchases and redemptions of bon with the surplus revenues, a part of the prese debt bearing but two per cent. interest, and deemable at the option of the Government inste of running for fifty years as represented by t Greenback element.

All these good works have been accomplished spite of the "untiring vigilance in our Nation Congress of the 'indomitable' Weaver, Gillett and the 'devoted' DeLamartyr," who are, tha God, no longer in Congress to air their demagoge and obstruct wise legislation by filibustering ta tics that cost the Government more than all the e pense of the refunding operations.

When the funding bill was before Congress the was a division of opinion as to whether the ne

loans should run five, ten, and fifteen years, or ten, fifteen, and thirty years, and it is a curious fact that those who are now the bone and sinew, nerve, and muscle of the Greenback party insisted upon the longer period, which was finally agreed upon for two reasons. First, because it was thought that the new bonds, with reduced interest rate, would not sell at par unless running for a longer period; and, second, because our legislators, not being prophets, could not possibly foresee the unexampled prosperity of the country under a protective tariff that was then scarcely in operation, sanguine as were their expectations, and were therefore not very hopeful of being able to redeem them sooner. They knew that England's debt had not decreased appreciably to the naked eye in the last forty years, and taking that great nation as an example, it seemed preposterous to expect to redeem the whole of our debt in less than thirty years.

And now behold the facility with which the greenback theory can turn somersaults, for this writer turns a double somersault—metaphorically I mean—when she refers to the funds deposited with the National banks, of which, she declares, they have free use, as a part of the available cash that is being kept from the people, seemed to forget that by this very means a great part of it is kept in circulation, and that the bonds owned by the banker aforesaid are a part of the very debt she would pay.

This money was not coin, to begin with, but the circulating medium of the time, which was paper, and therefore not available in payment of the bonds; for the banks in question were compelled by statute to receive at par all kinds of National currency bills by whatever association issued that

had been paid for internal revenue, or for loans stocks. And they were not granted its *free* use the second place, for although no interest in mon was required, the associations designated as su depositories were required to render service f their privilege, which more than covered any pro they could get out of it, and in fact the only cle advantage they received, was the confidence their patrons, which was naturally strengthen by the fact that the association were the financi agents of the Government. The dreadful bugab of the people paying said interest is "slush" of tl same quality that runs all through the Greenbac doctrine.

There was no interest in the case except that pai by those who borrowed the money from the ban for their personal use, and it is common for peopl to pay interest on their own debts I believe; but i this case the interest paid acted in a double capac ty for it was all the pay the banker received fo his services to the Government, and to cover th outlay such services engendered; so that after al he merely used the Government money as an agen of the Government in making payments to publi creditors.

These associations could not lend money out o this fund till the deposits were above a stated sun which they kept as a reserve, and the interest o that loaned was seldom if ever more than enougl to pay for the labor and expense of the transportation of monies to the sub-treasury as required by the secretary. And the Government by this arrangement saved the trouble and expense of shipping the money as fast as collected all the way to Washington, Chicago, or some of the other sub-

treasuries, these bank depositories being chosen in places remote from such conveniences.

Besides all this, these associations are compelled to give security by the deposit of United States bonds for the safe keeping and prompt payment of the public money deposited with them, and for the faithful performance of their duties as financial agents of the Government; and every day they must transfer to the subtreasury all monies received in excess of the face value of the bonds held in trust by the treasurer of the United States, to secure public deposits.

Thus, instead of hiring salaried officers to handle idle money and attend to this necessary work, our wise laws have fixed it so that this cash, that would otherwise be idle, is kept in circulation, and made to pay its own expenses, with the use of the convenient bank check, instead of cumbersome cash.

Thus you see, it is by the very same double-ender arithmetic with which they made the bonds increase the bulk of greenbacks, under the Act of April 12, 1866, that these Populists again attempt "to eat their pie, and have it, too," by counting the deposits, after they had already counted the bonds that secured them. If these facile people can find means to make a man pay himself for his own labor, especially after all the money has been cremated, they can take the laurels of our Hercules, and we will turn him into a weasel, along with his mother. And if they should wait till our debt is two centuries old, like England's, I do not think they would find another back-action hand-spring equal to the one they advise.

But the bonded indebtedness of our country will never reach to quarter the age of that of its re-

spected sire, for hitherto it has decreased with regularity equal to that with which the Greenback counts double, and by the natural result of this d creasing arithmetical progression, we will come the end by and by, in spite of the issue of bon by the present administration.

This oft mistaking party makes another mi take, also; for it is not the bonded debt of Englar that fills her lanes and byways with the ignora and degraded toilers, but a lack of the same wis protective tariff which—please God, to Whom l us earnestly pray to protect us from the prese midsummer madness of 1894 of our Democrati legislators—will compel the foreigner to pay ou debt for us without taxing our own people, wh have been growing every year more and mor prosperous under its beneficent influence; an we can well afford to pass the pension bills, a which our Populist sister sneered, quite forgetfu of the poor soldier that she served up with cap sauce in some of her diatribes against their bes friends, the Republicans. The Republican part is willing to shoulder this "pension fraud" an "educational fraud" and all the rest, even th "coast defenses," which may be found useful whe least expected.

Why, we have an object lesson right in ou midst, of the advantage of taxing the outsider, instead of the citizen. The Cherokee Nation long ago adopted that principle and are growing rich in consequence.

I was talking to a most intelligent lady of that race, who is a large cattle raiser. You would all know her were I to give her name; and she told me so. I asked her what taxes she paid, and was

nazed to hear that none of her property was
xed, nor, in fact, the property of any other Cher-
ee citizen. "Why, how do you get money to run
e government?" I asked. "We collect it from
e white men who trade with us," was her calm
ply.

But we have higher authority still for the wis-
m of the protective tariff. Let me point to the
achings of the great philanthropist Christ, when
said to Peter:

"What thinkest thou, Simon; of whom do the
ngs of the earth take custom or tribute? of their
vn children or of strangers?"

And Peter, answering; "Of strangers." Jesus
id, "Then are the children free."

If the Indians are the lost tribes of Israel, as
me suppose, they are only following their ancient
stom, it seems.

In the mean time, here is another indication of
s superiority of our system over that of England.
atistics show that the savings banks of nine
ates alone have increased their deposits $628,000,-
) in nineteen years, while the savings banks of
l England have only increased theirs $350,000,000
thirty-four years.

As to the mortgage story, that is almost too much
a chestnut to notice, for it has been proven over
d over that mortgages are decreasing instead of
creasing in most of the States as compared to the
crease of population and value of real estate.

It has been proven also that a mortgage indebt-
ness is far oftener a sign of prosperity than oth-
wise by the fact that as business increases mort-
ges are sure to increase also. With this increase
business we have more merchandise that we

have money, so we have credit money represent by the mortgages, and many undertakings are ca ried through now that never were dreamed of in olden time when a mortgage was thought a great evil than the yellow fever, and when people we content to plod along with all the money they po sessed tied up in the house they lived in, and ther fore bringing in no income.

The bright man of this progressive age takes a vantage of the trust he can command with his re estate security, gets the money to go into busine for himself instead of slaving for somebody els and gets rich. Quite often, too, with the mortga still unpaid on his house, because the dividends brings him are too great to yield by drawing th sum out of his business only to satisfy a sentimen tal desire to have the home clear. He is as muc master of the house as if it were clear; he ca change, improve, rent, or sell it just the same; h pays no more taxes or insurance because of th mortgage, and the interest he pays can be doubl covered by the profits out of his investment.

Looking over the objects of the mortgage in debtedness of some of the States, according to th last census, I find "purchase money," for many man gets his home in the first place by giving mortgage for deferred payments; "improvement business, to buy more land, to buy farm stock, t help sons, etc., while out of whole counties but on or two poor fellows would be found that had t borrow money for family expenses. Now an then we find one engaged in speculation; and oc casionally a loss from indorsing for a "friend, but as a general thing the mortgage is the har binger of good times.

CHAPTER VII.

SIXTH DEED OF VALOR—THE COINAGE ACT.

When Hercules, in destroying the Centaurs, ac-
identally slew his former preceptor, Chiron, to
vhom the others had fled for protection, he had
im translated among the constellations; and just
o with this modern hero.

A revision of our coinage becoming necessary,
n act to that effect became a law Feb. 12, 1873.
'his is the half-dozenth fallacy according to the
pistle of the apostle St. Greenback, who makes
ut of it another so-called contraction that failed
o contract anything, not even the weight of the
ollar.

The silver dollar of the United States has a
nique history, and its ups and downs are equal to
he Geenbacker's arithmetic. It was first coined in
793, its weight in standard silver 416 troy grains; but
t did not make a very great show, as only $204,791
vere coined in the first three years. For ten years
nore it hung on by its eyelids, as it were, till in
805, when it was suspended, only $321 being issued
hat year. We see no more of it after that till in
836, when it appears again in a condition decided-
y the worse for its battle with the two decades that
ad intervened, in an issue of $1,000; and that
eemed to be the last three, for again it disappear-
d till after the act of January 18, 1837, had author-
zed a new issue of dollars with weight reduced to
12½ grains of standard silver.

Of these none were issued till 1839, when $300
ipped the shell; and after that until 1853 the dol-

lar fluctuated, reaching into the thousands final while the minor coins, coined by act of a Dem cratic Congress, began to supersede it, thus prac cally demonetizing it; till in 1858 the dollar disa peared once more, leaving the minor issues large increased. In 1859 the issue begins again and co tinues till 1873, dividing the honors with the ne trade dollar that year and then disappearing f four years more. For the silver contained in ea of these coins was worth more than one hundr cents, and most of them had been melted and sold bullion, so there were very few left in this countr And even those few were amply protected by t law itself, for it reads: "That this act shall not construed to affect any act done, right accrued, penalty incurred, under former acts, but eve such right is hereby saved, etc." And thus t old woman who had a standard dollar hidden awa in a stocking could serenely enjoy the knowled that it was still legal-tender, as much as it ha been before. It was absolute nonsense, therefor to talk of our silver dollar of 412½ grains being d monetized by England till it was not worth much as the gold dollar, when we had none England; for even the trade dollar did not journe thither. Up to this time the whole issue of th "dollar of the daddies" was but $8,012,338. N very many dollars to be demonetized after all.

In fact, we were on a paper basis anyhow; not dollar of specie had been in circulation for twelv years except that on the Pacific coast and in Texa and the dollars that had been issued were only fo the convenience of foreign trade; and in this par ticular the American 412½-grain, with its bullio value greater abroad than its face value, had t

ht the Mexican dollar with its 418 grains of silr. So, when the revision of the coinage was ing on, the people of the Pacific coast asked for nething that might stand a better chance with e people of China and Japan, where the Mexin dollar was a great favorite.

The Legislature of California sent a petition to t effect, and on motion of her Senators the old llar was dropped, and a trade dollar, with two re grains of silver than the Mexican, was ised, to be used in foreign trade alone. This trade llar was also worth less than the silver in it; t it was hoped that the profit accruing from the de caught by it, would compensate the loss. *is act was passed by the unanimous vote of both uses of Congress, without the faintest objection m any one of either party*—not even from the ating Greenbacker that had begun to chirp ong them. Does it not seem a little late in the y for them to begin now?

The trade dollar was never in circulation any re than the old dollar had been for some time, l not as much, for it did not even circulate on Pacific coast, because it was not a full legalder even at first, and the five dollars worth, owed it when created, had been revoked before resumption of specie payments. Thus nobody uld receive it for domestic supplies, and as it s soon ascertained that the Chinese and Japs, o are inclined to be wedded to their traditions, uld not take it either, and, as it was found also, t certain of our people had secured the right to n it by representing that they wanted it for forn trade, and then were unlawfully using it in ving off the working people in their employ,

all these things operated to secure its withdra\ and the restoration of the old Standard dollar fore the resumption act went into force. Just h it managed to agitate business circles, therefore hard to discover.

The Greenbacker says it destroyed the mo quality of silver, but it was hard to destroy t which did not exist. There were $25,000,000 specie in circulation on the Pacific coast, and n in the Treasury when the coinage act was pass of this less than one-fifth was silver; and dur the four years that the standard dollar was drop from coinage, there were $75,904,692.70, of sil coined at our various mints. This seems a qu kind of destruction. He says, also, that the obj was first to prevent the payment of the bonds, a second, to increase their value, because it adde the value of the gold in which these bonds wer be paid. Now let us see if this was the case.

In 1873 a gold dollar was worth $1.14, while ounce of silver was worth in London $1.298. 1874 the gold dollar had dropped to $1.11, and sil was worth $1.278, so that notwithstanding the f that silver had declined as it had been doing i fluctuating manner since 1860, the gold dollar l declined also, and the balance was in favor of s ver, which was worth 11 cents more in gold doll in 1874 than it was in 1873.

I am informed by the director of the mint t this was no evidence of the decline of the valu gold; but that the greenbacks and legal ten notes had appreciated in value. Thus proving t the fluctuations in the value of the greenback w due to the pulse of the world's confidence in Government, as I have previously claimed, a

ıt all the misfortunes of the man who invested greenback currency when it was depreciated in lue were no fault of those who were doing their st to restore that confidence; but, if anybody's ılt at all, was the fault of his own mistaken judgent.

Mr. Leach further states that a given amount of ld would be paid for at any mints in the world the same rate for the last fifty years.

The silver in the dollar of 1837 was worth no more the markets of that period than that contained the trade dollar of 1872, according to the market 1873, although the latter coin weighed seven and e-half grains more, and the lack of the legalnder quality was all that made the difference, and s was not at all a necessary quality for the purse of foreign trade.

The rise and fall of the price of silver, as in gold, occasioned by the supply and demand like anyng else, and the downward tendency of silver d kept almost even pace with the increase of proction. The amount of silver produced in the ited States from 1834 to 1844 was $14,000,000, while 1873 alone it was $71,750,000. And all this time price per ounce had fluctuated with the ebb d flow of the production; and although the mart value of gold is fixed by the markets of the ole world, history proves that even that royal tal may be moved by the same power, and at e time its over-production made it of less value atively than siver.

At all events, gold did not increase in value after 3, for it went steadily down, and the circulating dium did not decrease in the United States her, for there was an increase in the circulating

paper money, the general stock of 1873 being $74
445,610, while in 1874 it was $781,024,781, in spite
the retirement of bank notes, and fractional cu
rency, with $25,000,000 of specie on the Pacific co
added in both cases. There was, however, a ve
slight decrease per capita for a few years, becau
the sudden boom given to immigration by t
prosperity of our country under our protecti
tariff increased the population faster than mon
increased, till resumption sent a flood of gold a
silver to accelerate the pulse of the Nation. T
aggregate of immigrants for the decade immed
ately preceding, which ended with 1870, had be
2,314,824, an annual average of 231,482; while t
decade in which these silver changes took pla
ending with 1880, the aggregate was 2,812,191,
average number of 281,219.

But in 1878 the old dollar was restored with coi
age limits, not exceeding $4,000,000, nor less th
$2,000,000 per month, and under this law in a peri
of twelve years we issued 400,000,000 silver dolla
fifty times the number that had been coined pr
to 1873; so that the "scheme" consummated
those "civilized brigands" has resulted in maki
the money of the common people more plentif
than ever. The entire issue of silver dollars up
1873 was but $6,165,738; and the whole issue of tra
dollars was but $35,965,924, with $296,600 of the c
dollars; while the issue of 1890 alone was $38,04
004, to say nothing of the minor coins. And t
coinage of 1890 circulates, too, which the form
did not.

The Third Party prophet tells another of h
fairy stories about the English capitalists sendi
one Ernest Seyd to this country to act as god-fath

the demonetization of our silver and declares at the original draft of the bill was in his handriting, giving Judge Kelley as her authority. As er authority in this, like the poor fellows whom ie attacks in her fifth chapter, and those she quotes most other places, is dead, he can not speak for mself; but Senator Sherman, who was chairman the Finance Committee at that time, and therere chairman of the Conference Committee, says e statement is not true; and from Mr. E. O. eech, I have received the following:

The coinage act of 1873 was prepared by John Jay Knox, en deputy comptroller of the currency, who was assisted in e preparation of it by Dr. H. R. Linderman, under the diction of the Secretary of the Treasury. The bill was prered with great care, and after voluminous correspondence d numerous consultations with officers of the mint and hers. The assertion that Ernest Seyd had anything to do th the preparation of the bill, or with its passage, is not rne out by the records, and it is not believed that he was en consulted in the matter.

At all events they must have given him a very ng range if they did consult him, for it has lately en discovered that he was not even in the country that time; and if he had been, he was himself a ost earnest bimetallist, and had written several oks on the subject, favoring the use of both etals as money.

So much for that, now for the wheat story. First d foremost, India has the wide world for her heat market, and would be apt to kick vigorsly against a 20 per cent. discount on the dollar e received in payment; and as gold went down ong with the silver, England missed her 10 per nt. also in America; and she can have the supies of this country only when she pays a fair

price for the same. In fact, I think the lady m
have had a generous slice of English plum p
ding for her supper when she had that visio
murder, insanity, suicide, divorce, drunkenn
etc., and thus got the English pence-earner in
wrong country.

And the payment of the bonds was not even
tarded in the end any more than the gold, in wh
they were paid, increased; for the redemptio
the public debt went on with a general incre
though with the usual fluctuations, with the re
I have rehearsed in the preceding chapter.

As to what the Rothschilds, Hazzard and ot
London financiers did according to these croake
though, to begin on, the Rothschilds were no
possession of several hundred millions of the
bonds—it would be no new thing, if true; fo
matter what party is in power here or what pu
policy is being discussed, England always in
feres, because she knows "which side of her br
is buttered," and our growing independence i
matter of serious moment to her, for, while we
get along excellently well without her, she can
do without us. Sometimes her advice is good
then we take it, because it is no new thing f
matter to be to our mutual international advant
and only a demagogue of the most rabid type wo
think it incumbent on our patriotism to snub
neighbor then; especially as we are masters of
situation.

If England could set her own prices on the go
she sells in our markets, adding the duty pai
our Government to the price she compels our p
ple to pay to her, would she go to all this trou
and expense to influence our legislators in th

nancial legislation, or the tariff, either? It is bsurd.

The London *Standard* was about right when it id that had the Mills bill passed it would have een worth £100,000,000 per annum to the British anufacturers. That is just $486,650,000 brought er to the American profit side by our protection easure; please take notice by the way. Why ould it be worth a cent to them, one way or another, if we paid their duty for them?

If England risked half a million on our coinage gislation she is not the first who has speculated nd lost, as all are sure to do who expect to find leep such men as Morrill, Sherman, Allison, Aldch, and others who were at the head of our nances.

As to the price of silver in London, it has gone own more rapidly since the restoration of the gal dollar than it did before, falling from $1.298 1873 to $1.04633 in 1890, which is a natural result the increased supply and the cheaper processes its production. For even Greenbackers can not harge demonetization upon it now, when all our oney is of equal value, although the silver purhasing clause of the Sherman law has been repeal-l by the present Congress; a step thought necesary by the present administration, for two reasons: irst, with the improved output of our mines, the pply was increasing tremendously, and: Second, he demand was decreasing in the Indian and siatic countries to such an extent that our Treasry would soon have been buried under its own ealth of silver without the co-operation of Europe. nd that it is hoped this step on our part will soon ompel to come to us; and on my own responsi-

bility I promise that the Republican Party will right by silver, in common with every other Am ican industry.

In the coinage of nations the United States iss more silver than any other, except India that co no gold. But Great Britain, Australia, Germa and Russia coin more gold than the United Stat

CHAPTER VIII.

SEVENTH TRIUMPH—THE RESUMPTION OF SPECIE PAYMENTS.

I stand with my head uncovered and reverently bent, before the matchless wisdom that so guided our affairs through all these perils that not even this last, most difficult and delicate operation harmed the people, though the seventh Populist "conspiracy."

All our trade had adjusted itself to a paper basis. On that manufacturers were producing; and merchants buying and contracting for goods; farmers operating their crops; artisans contracting for work; and the poor depending on the daily wage that could not bear a discount, a wage not what it was under the McKinley law, although higher than at any time before the war.

But things could not go on so. Ten years had elapsed since the close of the war; our people had almost forgotten how silver and gold money looked, and our paper money was wearing its credit out abroad, for no country can stand a paper basis long.

Hercules being commanded to gather the golden apples in the garden of Hesperides, slew the sleepless dragon guarding them, and bore the treasure away in triumph.

The dragon that hindered us from gathering this golden fruit was the depreciated value of the circulating paper money with which our people had been doing business; for although gold had been steadily declining since 1864, it still bore a prem-

ium, which—gold being the standard of valuatio —of course reduced the value of paper that wa merely a substitute, and not even its represent: tive since gold was not paid out for it.

No one doubted the desirability of raising th standard of our money value by calling gold an silver into circulation. But dare we do it?

For those out of debt, the good would be un mixed with evil; and for those receiving salarie or annuities the change would be doubly advan tageous. But for the debtor who would have t pay his debt increased by the increased value o money, all would be a total loss, unless he wer the owner of property behind his debt, that woul appreciate in value also. All this must be take into consideration, for the change must be made Already had it been too long delayed, and ever year would make the matter more difficult.

But mark the strength of our Hercules even in this, his most dangerous exploit.

The first step taken was a speedy coinage o minor silver coins, which were gradually issued in place of the fractional currency, beginning this operation the very next year, the last batch being taken up in 1878.

The next step was to make the coinage of gold free, thus inducing an increase of gold money.

Next the limit to National banking operations was removed, and it was so arranged that for every legal-tender United States note redeemed, a bank-note should be issued, with a margin left of $300,-000,000 of the United States notes outstanding. Thus passing the danger line of fiat money without contracting anybody's purse strings. But the climax of prudence resides in the fact that the time

for all these operations, when the tug of war should be reached by the Secretary of the Treasury redeeming the outstanding legal-tender notes was extended over the period of four years from the passage of the act, which was approved March 3, 1875, and consummated January 1, 1879, thus affording ample time for the people to erect storm defences. By this means business men were able to adjust their business to the new order: debtors could compound with creditors; manufacturers, merchants and farmers could so grade their prices as to escape loss, and had no need to cut down the wages of employés: in fact, the wages were increased because the money paid was worth more.

According to the Populist statement, the reader who is not posted would think that the Government, in order to buy the coin necessary for these transactions, had tumbled another great debt, in the shape of interest-bearing bonds, upon the heads of a long suffering people. But the fact is that the bonds used here were those created by the Act of July 14, 1870, when the debt was refunded, and which has already been abused enough, in all conscience.

Let me say it again, our debt, under the Republican administration, decreased steadily instead of increasing; it is a good thing to reiterate, since those who misrepresent us, have been ringing the changes on this false statement in a hundred different keys.

Another good thing to repeat in this connection, in view of these repetitions of falsehoods, is that living did not increase, labor did not decrease, and he amount of money in circulation was greater than ever before.

And yet another matter it is well to repeat is th among the cash which is represented as being ke away from the people, by being locked up in th Treasury, is the $100,000,000 of gold that was ke inviolate to the last by the Republican administra tion, to secure the value of certain money in circu lation, and thus prevent possible loss to the peopl as that which represents it is nothing but pape otherwise.

I do not know where these people get their fig ures, but certainly not from statistical publica tions.

They say that the money all told in the Unite States for the last fiscal year (presumably 1887, a the second edition of the book before me wa published in 1888,) was $1,394,781,000; money in th Treasury January, 1876, was $601,102,318.10, and ha increased since that date at least $100,000,000, wit $369,475,385 more in the banks, making a gran total locked up of $1,070,577,703, leaving among th people the paltry sum of $324,103,297; which, divide among 60,000,000 people, gave a per capita of $5.40

Now, the facts are these: In 1887, the general stock of money in the United States was $1,900,-442,672; that in the Treasury was $582,903,529; in circulation $1,317,539,145. The population was 58,-680,000. Circulation per capita, therefore, $22.45.

They state farther that, at the close of the war, we had in circulation about $2,000,000,000, including three per cent. Treasury certificates, compound interest notes, and seven-thirty bonds, all of which entered into the circulating medium; and that this divided among a population of 40,000,000 gave a per capita of about $50.

The truth is that at the close of the war in 1865,

we had exactly $714,702,995 in circulation, a per capita of $20.57.

There never has been in the history of this country a circulation of $50 per capita, or any other country, save France, where they have no banks, except in the principal cities, and there, where a bank is made of the pocketbook, the circulation per capita is about $57.

The highest ever known here is the circulation of February 1, 1892, when it was $24.70. The Republicans went out, leaving it almost double what it was when they came in—namely, $13.85 in 1860. But it is already going down under Democratic rule, being but $24.19, on the 1st of August, 1894. A per capita based upon the entire money of the country, in 1865 was but $22.16, and in 1887 it was $32.39.

Another reiteration is found necessary right here. None of the bonds mentioned above were in circulation at that time. A man would have been a fool to pay out for daily expenses a note bearing accrued interest, especially compounded interest, for these bonds became too valuable in a short time to be parted from lightly.

Indeed I am weary of the necessity of refuting over and over again the misstatements that are repeated on every page of this Populist literature (?) and it is almost too much to hear them "pointing with pride" and exclaiming:

"With these figures before us who can doubt the real cause of business stagnation, and the rapid increase of pauperism and crime?" It is not stated where the paupers and criminals were at that time. We all know where they are now, since the fuss these Populists made have helped to down the best friends of the people, the Republicans.

But with the true figures before us, it is not h to find the cause of the opposite. Since the sumption Act we have in the United States a kind of money the people want. There are g and silver, nickel and copper, and paper money many forms—United States notes, National-ba notes, gold certificates, silver certificates, a Treasury notes, all at par with gold—and there is danger of the crisis so airily suggested for our cou try if we continue our sound financial system a the American protective tariff; and there is no reas why we should not be even more prosperous th ever before. The man who carries ashes from c back yards makes more money than the journe man carpenter did before the war, and gets fo and clothing cheaper, too. The Resumption A increased the circulation $154,750,435 the very fi year, and it has been going on ever since. And t farmer gets a whole dollar for his dollar's worth produce now; and if he has a mortgage on l farm there is no reason why he shouldn't pay with his produce protected by the tariff and ma of his most necessary supplies free. If he holds Government bond, as a great many of our midd class do, notwithstanding the story that the Pop lists tell, he can receive his gold interest, whi will help, although interest in gold now is not much to him as it was in the past, owing to the ef cient legislation of the last thirty years, which pu gold on a level with other money. And anoth thing he can have which is better than gold. H can have the proud consciousness that he lives in country whose credit belts the globe, and though failure of crops now and then may embarrass hin he knows that he can retrieve his fortunes when th

ıeap alien labor across the border cannot under-
d him.

We can take care of the men, too, who risked their
ves to save the country, even if the bond-holder
aits, with his interest cut down till his bonds are
r less valuable than of yore. We can educate
e people also; and build the coast defences that
ıve been so lately needed on the frosty shores of
e Behring Sea. We can improve the country in
ıort, at all points, mentally, morally, physically
ıd geographically; for the debt is in a condition
be met at maturity, and our tariff duties, if left
one, will furnish the means even while it protects
ır industries.

CHAPTER IX.

THE POISONED TUNIC—INFLATION OF THE C RENCY.

Like a dog baying at the moon, it is so easy to on one's haunches and howl about legislation t one knows nothing about. The greenbacker gru bled when nobody had any gold but the bo holders, and he grumbled when it was so arran that everybody might take his choice of gold, ver, nickel, copper, or paper. It is hard for outsider to see where the conspiracies came in u der the foregoing acts, but according to the lexic of greenback ethics it seems to have become a co spiracy to be honest, or they never would conni at a semi-repudiation of the debt we owe to th who succored us in the hour of our greatest ne And taking the little book previously referred as an example, I should think they regard it something of a conspiracy to tell the truth, fo would blush to tell such a whopper as that co prised in its story. And then to cap the climax impiety by dedicating it to a poor man who is de and cannot remonstrate.

But, it is pretty evident that the author did n dig her facts (?) out of the tomes and annals statistics for herself, as I did, and so we will charitable and believe that some bold, bad m misled her as to the data on which her clever litt book was constructed. Indeed she confesses much in the preface to her twelfth edition, whe she declares that for years she sat a disciple at t feet of Colonel B. S. Heath, whoever he is; and would advise her, the next time she occupies a lik

position to anyone for such a very long time, to see that her teacher performs a certain ablutionary process known to the Dunkards; as the lack of this precaution may be the cause of that strong odor of falsehood. For I accepted the lady's invitation to search the official records, and every figure and fact contained in this book is copied from them *verbatim et liberatim.*

I have made no attempt to reply to any of the quoted utterances, because in this great world, full not only of various minds, but of changing minds also, he would take a big contract who attempted to account for any man's opinions, past, present, or future. For instance, in the discussion of the legal tender there were a variety of opinions, and even the financiers of the country were divided in opinion, and, according to Mr. Fessenden, you could not count on their remaining of the same mind even for a day, citing as an instance that "he was advised very strongly one day by a leading financial man, to oppose the legal-tender clause, and that on the same day he received a note from a friend of this man's telling him that he couldn't get along wlthout it."

Fessenden showed the note to the man who had just been declaiming against the measure; and he, expressing surprise, went home, and the next day telegraphed that he had changed his mind and now thought the act necessary. But the same day the friend whose note had been shown to him, wrote a second note saying that he had changed his mind. And they were two of the most eminent financial men in the country.

A circumstance like this should teach one to be slow in accusing men who happen to think differ-

ently from himself, on finance at least, of disho esty.

But this legal-tender note, of which the Gree baek party were so fond, seemed to meet a very u divided disapproval except as a war measure, eve from those who ehampioned its eause, and Secr tary Chase showed how it was regarded by the a ministration. Said he:

I feel a great aversion to making anytbing bnt eoin a leg tender in payment of debts. It has been my anxions wish avoid the neeessity of sueh legislation. It is, however, present impossible, in eonseqnenee of the large expenditnr entailed by the war and the suspension of the banks, to pr eure suffieient eoin for disbursements, and it has, therefor beeome indispensably neeessary that we shonld resort to th issue of United States notes.

The amount was restricted, too; the utmost lim to be issued, $150,000,000; $50,000,000 to be in lieu o the "demand notes," and the amount of the tw kinds of notes together was at no time to be ove $150,000,000.

Why all this eare lest it increase too fast, as mone is a good thing, if this was good money? I wil tell you.

The best friends of the eountry regarded tha limit as the danger mark, beyond whieh it woul not be well to pass, for there is always finaneia disaster in inflated values.

This is the poisoned tunie which the Greenbacl party has attempted to plaee on the shoulders of ou hero; but this modern Hereules is far wiser than his illustrious namesake, and he firmly refuses to wear it.

Take it all in all, I like this little book passing well, for it will set people to thinking, and it wil do more, it will eompel them to overhaul the rec-

ords, and that will result in the vindication of the Republican party of every time. The party of advancement and good morals; of the tariff and good homes; of finance and good money.

Now for a recapitulation in a kind of "in short" style.

The act of Feb. 25, 1862, made the United States notes a legal tender for all debts, with the wise exception of duties on imports and interest on the United States bonds. Without the latter exception we could not have borrowed money enough in Europe for a skirmish with a squad of mosquitoes; and with the former exception we made the foreigner pay for his own gold. For the coin, paid on the imports, was set aside by section 3 of the act as a special fund to pay this interest and also 1 percentum of the entire debt of the United States to be made within each fiscal year. The remainder to be paid into the Treasury.

By the National banking act the cumbersome bonds were utilized for circulation. In themselves they were not available, as I have shown, for they were not only large in denomination but most of them were about a quarter of a yard square. The banking notes merely represented them and were secured by them, thus making a good exchange from the State bank notes that were little better than fiat money.

The act of April 12, 1866, did not contract the currency; to the contrary, it increased the circulation, and really rescued the country from the many disasters that resulted from the sudden influx of our returned soldiers, and an increased immigration, into our business channels—when, with so many starting new ventures, some had inevitably to fail—

followed by the failure of Jay Cooke & Co. (th very men for whose benefit all this iniquity wa being accomplished, according to these Populists) who failed, however, because of other matters en tirely.

The Credit Strengthening Act was an act of simpl justice, paying the man who risked his money oı the perils of war, in the kind of money that prece dent had given him a right to expect; we thus only made a virtue of necessity, however, for he woulc never have loaned us the money to be paid in aı uncertain currency, in such uncertain times.

The bonds were not taxed, because it was unconstitutional to do so, and useless, too.

The Refunding Act saved to the country millions in interest on debts we were not able to pay without an enormous issue of fiat money, which would have been repudiation, and, therefore, bad faith toward creditors. It also would have been unwise in the debtor who may want to borrow again, and in the near future, too, unless we speedily attend to our coast defenses.

The Coinage Act did not demonetize silver, for it was not a circulating medium, and besides was already practically demonetized, because the silver dollar was worth more than a gold dollar. The silver dollar had never cut much of a figure in our business transactions, and the trade dollar was not meant for circulation here, but was issued in the hope of furthering American interests in China and Japan by taking the place of the Mexican dollar. When it failed in that, and certain of our citizens took advantage of its coinage, which was almost without expense, and by misrepresentations unlawfully produced it for domestic use, the law was repealed.

Resumption, approved January 14, 1875, and consummated January 1, 1879, brought our finances back to the smooth, even waters of a specie basis, through breakers that seemed to threaten wreck and disaster, so that even those who finally accomplished it trembled for the result. But by the plan of gradual operations, time was given to all to reef their sails till the dangerous channel was passed, and our ship of state proudly unfurled her sails, out upon the ocean of a most unexampled prosperity, an unimpeachable credit, and above all a clear escutcheon.

The Republican party that came into power on the eve of the rebellion, burdened by a debt bearing large interest, left by its predecessors with an empty treasury, and yet saved this country from the mad treason of a part of our own inconsiderate citizens, and brought them back, with fatted calf accompaniment, has given them a system of finance unsurpassed in the whole civilized world.

I have tried my best to treat this matter honestly if not altogether seriously; and indeed some of the statements made by the Populists are so ridiculously untrue that but for the effect they might have on those not very well informed on the financial history of the country—the very class which was meant to be influenced, by the way—the whole thing would not have been worth a moment's serious thought. It is on account of this and not for any gravity that resides in the absurd charges in themselves that it becomes necessary for the great Republican party to take even the slightest notice of it. A small cur, when he is vicious, can bite; and there is just as much danger of hydrophobia, too, as if he were a mastiff of royal breed.

I undertook the work of refuting these charges in the first place because I *believed* the publi records would furnish me the material to do so for like the majority of unofficial people, I knev too little about finance to more than believe. have not been disappointed, and if those who d me the honor of reading my little book find thei respect for the men who accomplished the grea work of reconstruction under so many difficulties increased by my simple recital of facts, in the sam ratio as mine has been, into examining into th records of their work, the grand old party will nee no monument of marble, for it will have a monu ment far more enduring in the hearts of the people

CHAPTER X.

AN APPENDIX BUT NOT A SUPPLEMENT.

With the completion of the foregoing chapters, I thought to write "finis" after my work, but a new tract, under a somewhat high-flown title has come under my notice, which affords me an excuse to add a brief resumé of the methods of the Republican party as compared with those of the only other party that has ever had a trial, with a bird's-eye view of the present results, and the wild theories of some who have not had a trial.

This new work seeks to erect a man of straw under the guise of what they call "Imperialism," to frighten gullible people, and because the industrious and enterprising of our community are saving money and the country itself is growing rich, as it should do after more than a hundred years, the writer points a prophetic digit at the history of Egyyt, Babylon, Assyria, Greece and Rome as a prototype of ours, and in a sepulchral whisper announces that the lack of lucre was the moving cause of the decline and fall of these respective countries. "O consistency, thou art a jewel!" If that were true the very fact that our people are growing rich would seem our best safeguard.

But, alas! in this, as in everything else, the facts, like the Greenback idea of money, seem rather inflated, to say the least; for according to history Assyria gobbled Babylon by brute force, because she was a land of soldiers, while her neighbor, the home of the arts and literature, was not learned in war. Then Assyria and Egypt quarreled, one and

then the other, up and down, like a see-saw, till Greece stepped in and scooped them both.

As to the decline of Greece and Rome, Montagu says that the real cause was their change from religion to atheism.

The religion of the Romans taught them that their country was a place dear to their gods and destined by them to give law to the rest of the universe. This made their courage in her defense invulnerable, and every Roman soldier, being a citizen possessed of property, was equally interested in the safety of the republic for personal reasons, just as every citizen of America is to-day, and the richer they grow the more interested they will become.

But Epicurus arose and, clothed in the shining garb of philosophy, spread his atheistical doctrines broadcast through the land, and these Romans began to ask themselves what was the use of virtue's sacrifices for the sake of enlarging their country if death is but an eternal sleep and man has no account to render for his conduct here? Why not have a good time while existence belonged to them? So the revel began, and debauchery and crime soon routed the army that had hitherto been invincible, the Roman Senate the worst of all, merely because their opportunities were greatest.

Now if these Populists really want to prevent all these disasters being repeated in our country, and at the same time fill a long felt want, they'd better let finance, upon which they do not seem very well posted, alone ; and scatter a few leaflets on religion where their ignorance is possibly denser still, among their anarchist adherents.

But I would not begin this work by talking about

he Almighty being "staggered and perplexed" by he doings of a handful of His own creatures; it macks too much of irreverence.

The view taken in this new screed of the work of ur inventors does not seem warranted by the facts s recorded at the Patent Office. They say labor as not been benefitted by the advancement in mechanic arts, and yet our farmers to-day may turn p the soil with a plow run by steam instead of the rooked stick of the Egyptians; to say nothing of he thousand and one useful articles that make the ıbor of her own sex light; no more roasting over coal stove in the dog days; no more stitching by and till midnight to do the work of an hour; with atent brooms that raise no dust; patent sieves hat scatter no flour; patent clothes wringers; egg eaters, and dozens of other things that save the nuscle added.

It is true, the men whose study and labor proluced these things may have grown rich through heir sale, but the veriest churl on earth would ardly begrudge them the reward they so richly nerit, and even during the limited period they are ole owners of their own creations others are benefitted far more than they are. It would indeed be sad day for the brain workers of this country hould this class of genteel pirates succeed in appropriating all of the benefit of their labor.

As it is the commissioner publishes a list of atents as long as the moral law, that have, years go, expired and left their free use as a legacy to he country.

A comparative statement of the patents issued ince July 28, 1836, when the present series of numbers of letters patent commenced, will give some

idea of our improvement in that direction. In the year 1837, there were issued 436 patents and re issues, yielding a revenue of $29,289.08, while the expenditures were $33,506.98. In 1891, 23,244 were issued, yielding $1,271,285.78, with expenditures o $1,139,713.35, leaving a surplus to the credit of the office; and there has been but eight years in al this half century when there was not a surplus making this department more than self-supporting, so that the inventors of our country are no robbing anybody at all events.

It is true that with a labor-saving machine one man may do the work of many men, but this does not argue that the balance of the men must remain idle, for they may be employed making the machine itself; first gathering its material parts, the iron, brass and copper ores from the bowels of the earth, and latterly the marvelous aluminum; the timber from the forest; the glass from the sands o the ocean; and by the time that machine is constructed, hundreds of men have earned their bread and then that wonderful magician, when created will so multiply the articles it manufactures that this in itself will increase labor, and besides these men may buy much more for their money than in the day when they paid two prices for their rude hand-made articles.

For one, I have no patience with the set of harpies that have sprung up in the country, who sit in idleness and look with envious, covetous eyes upon the proceeds of other people's labor.

In this connection I will give the distinguished opinion of one who has been outrageously misquoted in this later effort, and correct yet another discrepancy.

It reads thus: "Secretary 'McCollough,'"—the writer proving by the spelling of the name that the report was never seen by her—"in his report for December, 1865, says: "We have now about $2,-00,000,000, nearly all in circulation among the people," and then the writer proceeds to put a glowing picture on the canvas of her own imagination with the Secretary's brushes.

Now the fact is, this same statesman, Secretary McCulloch, was bitterly opposed to a very overflowing currency, and in his report to Congress of 1865 he expatiated at some length upon the financial distresses of former periods, showing that they were, to use his own words, "the direct result of unhealthy extension of the various forms of credit," our paper among the rest. Thus, in speaking of the great expansion of 1835 and 1836, ending with the terrible financial collapse of 1837, from the effects of which we did not rally for years, he points a warning finger at its repetition, because as he says:

It then seemed to be more reputable to borrow money than to earn it, and pleasanter, and apparently more profitable to speculate than to work; and so the people ran headlong into debt, labor decreased, production fell off, and ruin followed.

He then went on to speak in this wise:

The present inflation, following the suspension of 1861, is the result of heavy expenditures by the Government in the prosecution of the war, and the introduction of a new measure of value in the form of United States and Treasury notes as lawful money. The country as a whole, notwithstanding the ravages of the war and the draught that has been made upon labor, is, by its greatly developed resources (meaning the protective tariff), far in advance in real wealth of what it was in 1857, when the last severe financial crisis occurred. The people are now comparatively free from debt; the banks,

with their secured circulation and large investments in Government securities, although not in an easy condition, and doubtless too much extended, are, it is believed, generally solvent, but the same causes are at work that produced the evils referred to. There is an immense volume of paper money in circulation—under the influence of which prices already enormously high, are steadily advancing, and speculation is increasing—which must be contracted, if similar disasters would be avoided.

Further on in his report Mr. McCulloch says:

The expansion has now reached such a point as to be absolutely oppressive to a large portion of the people, while at the same time it is diminishing labor, and is becoming subversive of good morals.

He then goes on to illustrate, and finally winds up his argument against a large amount of currency thus:

There is no fact more manifest than that the plethora of paper money is not only undermining the morals of the people by encouraging waste and extravagance, but is striking at the root of our material prosperity by diminishing labor. The evil is not, at present, beyond the control of legislation, but it is daily increasing, and if not speedily checked will at no distant day culminate in widespread disaster. The remedy, and the only remedy within the control of Congress is, in the opinion of the Secretary, to be found in the reduction of the currency.

There you have it. Secretary McCulloch differed somewhat from his distinguished countrywoman, but then you know great minds will differ, and the worst cut of all is that this "immense volume of paper money," all told, instead of being almost $2,000,000,000, as the book states, was but $704,218,038.20. From page 9 of the Secretary's report to Congress, October 31, 1865, I transcribe the following statements of the amounts then in circulation:

United States notes and fractional currency	$454,218,038.20
National bank notes	185,000,000.00
State bank notes	65,000,000.00
Total	$704,218,938.20

Added to this, he goes on:

It would probably be safe to say that of the compound interest notes there are about $30,000,000 in circulation.

But this latter statement was proven to be a mistake; for when those notes were finally redeemed, their condition of well preserved cleanliness proved that not even $10,000,000 had ever been utilized as a circulating medium.

I can not understand such a willful misrepresentation of facts; though I do understand how people may be misled by the Treasury reports themselves, when they do not know the method of tabulating them.

Thus, when mutilated notes are called in for redemption, they merely appear as a part of the receipts, and when they are reissued they appear as a new issue, so that an issue of any kind of money all summed up might look pretty large to those who do not know that a very large part of those put out are balanced by the old notes in place of which they are issued.

This probably accounts for the Populistic statement of the public debt, by which they make out a debt of nearly thirteen billions, when in point of fact the principal and the interest for over thirty years would not together amount to five billions up to the present time; and instead of being in debt worse than ever, as is flippantly quoted from somebody who knew no more about it than the writer in question, the entire public debt outstand-

ing on May 31 last, was $969,359,253.61, and of this sum the interest has ceased on $3,167,345.26, and of the remainder, $381,162,628.35 is made up of her highly honored demand notes, her precious legal tender notes, fractional currency, National bank notes, etc., on which there never was any interest, so that, instead of being in debt worse than ever, we owe but little over $500,000,000 of interest-bearing debt, upon which we are paying a greatly reduced interest, and none of this interest is paid on the money that was destroyed.

No interest has ever been paid upon the money that was destroyed, no interest will ever be paid on the money that was destroyed, and no money was ever destroyed anyhow, for, in the first place, the greenbacks bore no interest, and in the second they were not destroyed, because they are still outstanding.

This debt was contracted—notwithstanding the Third Party to the contrary—not only "to form a more perfect union, establish justice, and insure domestic tranquility," but to save the very life of the Republic; and it "provided for the common defense, and secured the blessings of liberty to ourselves and our posterity," by wresting our homes from the mad hand of the spoiler who would have destroyed the Union. Thrice welcome such a debt, and thrice welcome my share of the burden while it is being paid!

They also forget to balance their accounts in summing up the disbursements of the Government in paying off the debt, and I think they will themselves admit that it is hardly fair to count the money paid and leave out the money saved.

In piling up figures to produce their $13,000,000,000,

the premiums paid by the Government cut quite a figure, being counted, first, as part of the principal and then again separately. Now why does the Government ever pay a premium? The Populist brother objects to it, and yet millions are saved to our public fund by it. For instance:

There is an unnecessary surplus in the Treasury. A part of the debt might as well be paid with it. No bonds are matured; but a premium will induce the holder to yield. The Secretary does a little arithmetic and the result is an offer of an amount that will leave a handsome margin, out of what the cost with accrued interest would be at maturity. The premium is paid and millions saved by the seeming extravagance.

Take, for example, the changes in the interest-bearing debt since March 1, 1889, which, by just such means, have resulted in a saving of over $50,-000,000, as follows: Four per cents, amounting to $121,615,950, were bought at a cost of $152,958,818.83. Their cost at maturity would have been $206,555,-288.50, a saving of $53,965,469.67. Four and a half per cents amounting to $137,477,700 cost $143,388,-112.37. They would have commanded at maturity $145,114,136.21, a saving of $1,756,023.84. Total saving, $55,352,493.51. And in addition to this the amount of $25,364,500 of 4½ per cent. bonds were continued at 2 per cent., saving to the Government an annual interest of $634,112.50 more.

Where economy is needed a Republican administration can economize. But it is no part of wisdom to save at the spigot what must eventually be wasted at the bung-hole. Neither is it the policy of the Republican party to run this large and growing country on a provincial scale. And the parsi-

mony of the Democracy looks smaller than ever when compared with the generous policy that would improve, enlarge and better the country, while at the same time the appropriation necessary to do so lifts the cash from its hiding place in the Treasury and scatters it broadcast among the working people, thus keeping it in circulation.

There has been much said about the "billion dollar Congress" and the melting away of the large surplus under its benign influence, and, with the report of the Appropriations Committee before me, I note some of the items. To begin with, the pensions of our soldiers had been kept down at the lowest ebb by the Democrats when in power in the House, and our once brawny defenders were growing old and feeble. The pension appropriation of the preceding Congress had been but $175,-017,400, much of that a deficiency to re-enforce the even smaller sums of previous years, and so, the Republicans of the Fifty-first Congress, many of them ex-Union soldiers themselves, gave their less fortunate brothers all that the revenues would afford, and appropriated in the two sessions $288,-329,751.69.

Our mail is growing, too, and the appropriation that sent it once or twice a week on horseback to Baltimore from Washington in former times is no sufficient for our splendid mail service now, when every village can have its daily mail; therefore this "billion-dollar Congress" appropriated $150,-133,921.60 for our mail. But this is a great part of it, if not all, supplied by our postal revenues.

Further, the Republican party is in favor of helping all who can earn their daily bread honestly, which naturally brings the farmer to the front with

his largely growing interests; and, as the Weather Bureau also had been transferred from the War Department to the tender mercy of Uncle Jerry Rusk, the sum needed was almost doubled, and those "dreadful Republicans" actually "wasted" $4,827,253.50 of the "people's money" on our farming industry. These are, of course, only a few of the many items that swelled the amout to $988,417,-183.34.

Still, there was money left of the hoard that had for years been locked in the Treasury by Democratic economy (?), doing nobody any good, and so $289,000,000 of the debt was wiped out.

The Republican party has no excuse to offer for the "billion dollar Congress," because, in the first place, every cent of the money was judiciously expended; and in the second place the circulation per capita was increased almost a dollar a head; and in the third place, the so-called economists ot the next Congress appropriated almost $500,000,000 in their first session, and after knifing everybody in sight also, and crippling our service so that even the garbage of our Capital City had to be almost half of it collected *on credit.*

This is the way the immense surplus of 1890 came about by the way. Controlling the appropriations for years, with but the two years' interregnum of the Forty-seventh Congress, their skin-flint policy piled up the money brought to our revenues by the tax which these free-traders insisted on for the protection of the sugar industry—an infant that would not grow with all their coddling—and improvements halted, while the Democratic politician made political capital out of "economy."

For the Census reports show that a single mort-

gage may be counted more than once, because it is frequently shown on the separate records of the places of residence of the several parties to it, when they live in different townships.

And besides, partial payments have been made in many cases that have almost cleared the mortgage, of which there is no record because it is not completed.

I do not know where these people get their statistics as to the amount of land owned by speculators, as there are no such persons known on the records of the Land Office, where no tabulated reports have been made anyhow.

The idea of turning our farmers into tenants against their will is really grotesque. I presume the business of the farmer fails some time, and becoming bankrupt he is sold out just like other people who fail in business. It is a sad event and everybody must sympathize with such an individual; but why with the farmer more than the mechanic, merchant, or banker?

As for "caste" that this benevolent lady represents as growing up here so rapidly, I would like to invite her to our Capital City, and by the time she is hustled off the sidewalk, made to stand up in the street cars, and take a back seat at most of our public gatherings, while her cook, chambermaid, and coachman elbow her out of the way, she will begin to think that caste is not "indigenous to our soil," at any rate.

There *are* some rich men in our Senate and the President's Cabinet. That is one truth out of the many misstatements. But how a poor man can ever afford to accept either position is more than I can see. The salary of a Senator is $5,000 per an-

num, and that of a member of the Cabinet is $8,000, and the running expenses of each office, to say nothing of the family expenses of a man in such a position, who is expected to yield unlimited hospitality to the dear constituents, amounts to more than he receives. Some of the Senators who have large districts are compelled to hire two or three clerks, whom they must pay out of their own pockets, to attend to the many things required of them outside of their duties at the Senate; writing letters to and running errands for their people, etc.

The wage-earner of America is not, as a class, oppressed by the millionaire or anybody else. There are individual instances of that kind, I am sorry to say, where work being scarce, employers have the advantage. But the tables are often turned when the conditions are reversed, and the working people know how to take advantage of it, too. When one hundred men are wanted to do a job of work, and there are only ninety-nine men to be had, labor is at a premium, and the laborer can dictate his own terms, and he generally does it. Wages go up, privileges are numerous, etc.

But when there are 100 men who want work and only work enough for ninety-nine the spirit of the dream changes and wages go down. It is simply the law of supply and demand, together with the proneness of all mankind to seize every personal advantage. The law has nothing to do with that, and with the best intentions our law-makers cannot legislate human selfishness out of existence. So, unless our socialistic friends undertake to regulate the Almighty and dictate a new enactment in law divine, they will have to content themselves with the "leaflets" mentioned above.

So Imperialism in America turns out a myth, along with its organ the *Imperialist*. At least the Hon. Levi P. Morton says he never heard of it, and he was its chief patron according to this Populist historian. If any such publication existed it was evidently the bubble creation of some of the numerous cranks that have become so blatant in this land of freedom, where, according to our free institutions, the much-needed restrictions can not be put upon them—more's the pity—that they seem to be "indigenous to our soil," at least; but that bubble burst inside of a year, as the lady admits, which proves also that the idea was not very popular, even in New York, where the millionaire business is said to be at a premium.

It would be, indeed, hard for any political party to be compelled to shoulder the responsibility of all the cranks, plotters, and malcontents—more numerous than ever since this third party has been hatching—that are only happy when they are crying somebody down, or building up some new and impossible scheme.

Now, I am aware that this appended chapter is, to a certain extent, but another repetition of the many answers that I have given already in the body of this work, to the same old song which they are continually harping on that one string of how "we, us and company" *would* run the Government if we could *only* "*get there*;" questions that I have answered too completely to entitle this to be called a "supplement," but which is made necessary by the fact that all these cunningly built statements are so devised as to appeal directly to the personal interests of some, who know too little

about our public affairs, to detect the false bottom on which they stand.

Then began their cry of too much surplus while Republicans were in, and then when the Republicans by means of wise and equitable appropriations gave work to hundreds of wage-earners, they changed the cry to "deficiency," and helped spend the money themselves by a system of espionage in the shape of investigating committees; which course reminds me of the case of a discontented husband that I once knew.

He was a niggardly fellow, with no regard for the refinements of life, and his wife was a great trouble to him, because she insisted on preserving at least the decencies in their mode of living; so he determined to get rid of her, and secretly consulted a lawyer about getting a divorce for him.

"Well," said the man of law, "what charge do you make against your wife?"

"She spends my money," said he, "so that I can lay up nothing for my old age. Isn't that enough?"

"Hum! let me see," said the lawyer. "How much is your salary?"

"Twelve hundred a year."

"How many children have you?"

"Three."

"That makes five in family, with $20 per month each," computed the lawyer. "My dear sir, how do you expect to live on less in a city like this? And, yet you are paying for the house you live in out of it, which convinces me that your wife must do the greater part of her own work into the bargain. Why, sir, I would be the laughing stock of the community to bring such a case. You will have

to find some charge more tenable—infidelity or something of that kind."

"I have never suspected anything of the kind," the man admitted, and went sorrowfully away. But from that hour the poor woman was under espionage, not that he hoped to find her guilty, for nobody knew the purity of her life better than he, but that he might catch her in some indiscreet act that could be distorted into a charge. And this is Democratic economy.

Now let us take a look at the policy of the last administration, and see if it did not solve the problem of how to maintain the happy medium between inflation and contraction.

According to Secretary Foster, whose word, if it needed support, is amply sustained by the official records, the income of 1891 from revenue, etc., averaged under the workings of the McKinley law $32,717,702.94 per month; government expenses averaged $30,481,175.44 per month. This left a monthly balance after all expenses were paid of $2,236,545.-16, which is considered a safe balance, one that would be sufficient for most unexpected emergencies at any time, and yet would not accumulate a surplus faster than the debt travels toward maturity, which, of course, would lay an unnecessary burden on the people.

Land monopoly is another of the nightmares that prance in this third party dream, and like all the rest, it is a "dark horse," an exceedingly "dark horse," and that style of beast is not winning the race this year. The alien land-holders are a special aggravation, it seems. Well, prior to 1837, ander our graduation acts and laws regulating private sales of public lands, aliens were per-

mitted to acquire such lands. It is possible, therefore, that under those laws aliens may have acquired large areas of land in this country, just as our people accumulate property in Europe; and if a Populist has a farm for sale and finds a purchaser in a representative of Johnny Bull, "or any other man," who is to prevent him from selling to him, I would like to know? As for the United States Government, that has done all that is possible in the premises by passing a law March 3, 1887, to restrict the ownership of real estate in the Territories to American citizens; if the several States decide differently the States have that privilege, according to the Constitution.

But many of our alien neighbors came here when the treaty of Guadalupe Hidalgo decided the boundary line between Mexico and the United States; or, rather, we went to them. Many acres of the land which was thus allotted to the United States were then discovered to be owned and occupied by Mexicans. "Every man's home is his castle" in law, and so these previously acquired rights the treaty also protected; and Mexicans established in this territory were by the terms of the treaty left free to continue there or remove to Mexico, retaining their property or selling it just as they pleased, retaining the rights and titles of Mexican citizens, or becoming citizens of the United States at their pleasure. Many, while retaining their land, remained true to their allegiance to their native land; and thus it came about that many acres of our land are owned by Mexicans.

By the way, while these people are downing monopoly, I would like to call attention to the fact that one of their Senators might be regulated a

little on that subject, for he seems in danger of monopolizing the Senate, having three members of his immediate family in its employ: and that these are the whole of his family is probably the reason he has no more than three provided for.

Another dreadful crime is also cited in this connection, viz.: the grant of lands to railroads. Now, as the Government retains every alternate section, which is doubled in value by the building of the road; and as it also keeps back all the mineral lands, while at the same time it thus secures means of transportation for the grain of the farmer and the supplies of the whole country, I think this charge also fails to make connection.

Farms are not decreasing in the United States either. It may be true that the American farmer owned 50 per cent. of all the farm property in 1860 and only 25 per cent. in 1880, and 20 per cent. in 1890, as some have computed. But this property, which by the census included not only the land itself, but the agricultural implements, the stock, and in case of the Southern farmer the slaves, amounted in value in 1860 to about $16,000,000,000. But between 1860 and 1880 the war occurred; the slaves were emancipated, thus depreciating the American farmers' stock to the tune of about $2;-000,000,000; the property destroyed by the two armies amounted to about as much more, and, therefore, by the logical events of the times, four billions of his eight were swept away.

But the total value of what was left had become by this time in round numbers $44,000,000,000, so that the twenty-five per cent. accredited to him was worth $1,000,000,000 in spite of these losses; and in 1890, the total value being increased to $62,-

000,000,000, his twenty per cent. was worth $12,000,-000,000.

Thus, although the farmer's per cent. of farm property may have declined from 50 in 1860 to 20 in 1890, he is richer by $4,000,000,000 now than then.

Besides this, the census does not show all his increase, for while it shows his land, stock, and implements, it does not show the money expended in living and rearing his family ; nor does it show the money he has deposited in bank. From statistics furnished by the banks of Kansas it is shown that the farmers of that State, where farm distress is reported as greatest, own fifteen per cent. of all the bank stock and have forty per cent. of the deposits in the banks of that State, which same, must necessarily appear in the census records, accredited to the "insatiable maw" of the banks aforesaid.

And the mortgages, also, are often grossly, though innocently misrepresented by the census reports, because it is impossible to give in tables all the ramifications of red tape.

Now I have faithfully given you an account of the Republican stewardship. But that party is out of power, and the reverse side is presented, a side that the deluded Populist party made possible by their misrepresentations, bearing false witness, in defiance of the decalogue. Now look on the picture ; it is not a pretty one.

Free trade, merely threatened, has obstructed the avenues of business to such an extent that our revenues have gone down until they have been insufficient for our exdenditures ; and the gold reserve of $100,000,000, so religiously kept intact by the Republicans, has been encroached upon to meet the

emergency; and although $50,000,000 worth of bonds have been sold to restore it, there is now little more than that sum left in the Treasury, $52,189,-500 of it, on August 8, 1894; and an actual deficit of $69,000,000, between the receipts and the expenditures of last year, left over for the future to square up.

When the Republican Party laid down their charge in 1893, there was $137,837,899.70 of gold coin in the Treasury, and $79,835,048.21 in bullion. A total of $217,672,947.91. The intact gold reserve, and the net cash balance over all demand liabilities, being $124,128,087.88. The public debt, both interest-bearing and noninterest-bearing, had been steadily reduced, and the per capita circulation steadily increased. On the other hand, the present administration, according to their last report, August 1, has increased the public debt by $67,143,540.05; the gold—coin and bullion—has dwindled down to $120,922,836, with a constantly decreasing per capita circulation. "Under which king, Bezonian? Speak,

In desperation at this state of affairs, the present Congress has resorted to the favorite Democratic cure-rule, "economy," and while everybody who has a claim on the appropriations, has been knifed most scientifically, especially the soldier, the Departments have kept even pace, crippling the service by turning an army of faithful employés into the streets to join the multitude of starving American citizens, made tramps by our closing mills and factories; and many mutilated soldiers are among them, with pensions cut off, and employment taken away in the land they risked their lives to save, by the very people whom they prevented from destroying it. Verily, the ways of a self-governing

people are passing strange, for many soldiers voted Democratic in the last election. Blind to their own interest, the gamin in the street could teach them a lesson; for when he wins at a game of marbles, does he fork over his trophy to the vanquished foe? Not much.

The Democrats claim to have saved on the appriations for 1895 the neat sum of $28,835,989.70 over the last session of the last Congress. Now let us see just how they saved it. First and foremost, the soldiers—always first to be skinned by the Democrats—have had their pensions reduced to the tune of $29,099,504.85, just $263,515.15 more than the whole saving.

And last year we had the World's Fair and the Census both on our hands, the two aggregating $1,621,500.

So, if we leave out these three items, these famous economists have actually increased the appropriations, after hampering many of the departments by innumerable discharges, reducing the salaries of many of those left, and at the same time increasing their burden already heavy, by the extra work thus made. A lot of mill hands would strike for far less provocation. And yet there is a deficiency left of $29,994,471.20, which will have to be made up next session—*after the election is safely over.*

But while the "small fry" of the departments have been reduced and discharged by hundreds, and the soldiers cheated out of their pensions, and while the "great unwashed" have again thought it immaterial to provide for the disposal of the garbage of our capital city, that is even now crying to Heaven, with a very loud odor, many of the

high officials, already well provided for, have been handsomely increased to one, two, and three thousand more per annum.

All these things show who are the true friends to the working man, the soldier, and the country at large; and if those who have been seeking aid through the aimless and misguided Populist party, and thus helping destroy the friends who have never yet failed them, will view the situation in an unprejudiced manner, they will vote the Republican ticket hereafter.

What General J. S. CLARKSON says about it:

t is a serions and continuing party mistake that yonr speei-
s for the Emery malarias and miasmas have not been printed
l eireulated all over the West and South for two years. The
iery works have done, and are eonstantly doing serions
nage, and leading away honest hut snperficial Repnhlieans.
pnts sorrow and tears and emotion in all she says, and lies
l in that way are always influential over hysterical and im-
ssihle people. A better hook, more sensibly written would
ually do far less harm than this emotional and skyroekety
k. Its eirenlation is still kept up, and I have myself
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its sophistries—and saying: These eharges must be true
n the author herself goes into tears when eompelled hy
h and duty to make them. She seeks and finds the sym-
etie side in honest people, and the sensational in others,
makes many eonverts, and disenehants many honest Re-
ieans who are down in their lnek, and anxious for some
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ur work has good heart as any artiele ever had, and good
hesides, and overthrows in fair yet thorongh manner all
alse works of her sophistries and falsehoods, tears and all.
le who have read her, would the more eagerly read you.
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nstrated hoth the wisdom and the kindness of Repnhliean
iples and their views as yon have. It is improvidenee in
a party not to print and eireulate it hroadeast.

uarter of a million of yonr hooks ought to go into the
this fall and winter.

om Senator CHARLES F. MANDERSON:

artily eonenr in the foregoing letter of General Clark-
"The Story of Herenles, or the Trnth About the Finan-
gislation of the Repuhliean Party," as told so elearly
telligently hy Mrs. Burke, is such that it should he in
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oot. I have pnrehased a nnmher of them for eirenla-
my own seetion, and helieve they will prove to be of
alne.

ord from Senator WILLIAM B. ALLISON:

k your hook will he a valuahle eontrihution to the
gn literatnre.

also from Senator JOHN SHERMAN:

work will he of very great value in the West, where
s of Mrs. Emery seem to prevail.